

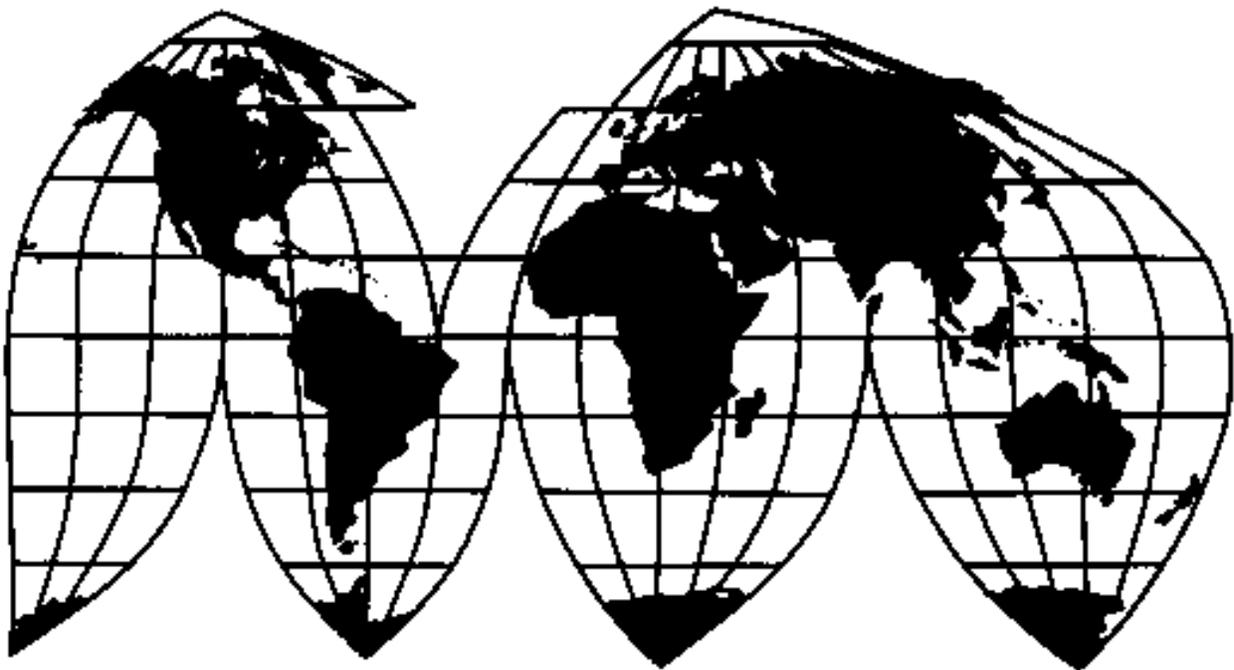
Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan

Investigations Nos. 731-TA-376, 563 and 564 (Second Review)

Publication 3801

September 2005

U.S. International Trade Commission



U.S. International Trade Commission

COMMISSIONERS

Stephen Koplan, Chairman
Deanna Tanner Okun, Vice Chairman
Jennifer A. Hillman
Charlotte R. Lane
Daniel R. Pearson
Shara L. Aranoff

Robert A. Rogowsky
Director of Operations

Staff assigned

Fred Fischer, *Investigator*
Karl von Schrittz, *Attorney*
Douglas Corkran, *Supervisory Investigator*

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan

Investigations Nos. 731-TA-376, 563 and 564 (Second Review)



CONTENTS

	Page
Determinations and views of the Commission	1
Determinations	1
Views of the Commission	3
Information obtained in the second review	I-1
Introduction	I-1
Background	I-1
The original investigations and initial five-year reviews	I-1
Previous investigations on stainless steel butt-weld pipe fittings	I-4
Other related investigations	I-4
Commerce's administrative reviews	I-5
Commerce's initial expedited five-year reviews	I-8
Commerce's second expedited five-year reviews	I-8
Distribution of continued dumping and subsidy offset funds to affected domestic producers	I-8
The product	I-11
Scope	I-11
U.S. tariff treatment	I-13
Domestic like product and domestic industry	I-14
Description and uses	I-14
Production process	I-15
Interchangeability	I-16
Channels of distribution	I-16
The industry in the United States	I-17
U.S. producers	I-17
U.S. producers' trade, employment, and financial data	I-19
U.S. imports and consumption	I-20
U.S. imports	I-20
Apparent U.S. consumption and market shares	I-24
Cumulation considerations	I-26
The foreign industries	I-27
Japan	I-27
Korea	I-27
Taiwan	I-29
 Appendixes	
A. <i>Federal Register</i> notices	A-1
B. Statement on adequacy	B-1
C. Summary data concerning the U.S. market, 1997-99, January-June 1999, and January- June 2000	C-1

NOTE

Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-376, 563 and 564 (Second Review)

STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM JAPAN, KOREA, AND TAIWAN

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission determines,² pursuant to section 751(c) of the Tariff Act of 1930 (the Act),³ that revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on February 2, 2005 (70 FR 5478), and determined on May 9, 2005, that it would conduct expedited reviews (70 FR 30483, May 26, 2005).

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

² Commissioner Shara L. Aranoff not participating.

³ 19 U.S.C. § 1675(c).

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-376, 563 and 564 (Second Review)

STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM JAPAN, KOREA, AND TAIWAN

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders covering stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

In March 1988, the Commission determined that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings from Japan that were being sold at less than fair value.² On March 25, 1988, the U.S. Department of Commerce (“Commerce”) published an antidumping duty order covering the subject merchandise from Japan.³

In February 1993, the Commission determined that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings from Korea that were being sold at less than fair value.⁴ On February 23, 1993, Commerce published an antidumping duty order covering the subject merchandise from Korea.⁵

In June 1993, the Commission determined that an industry in the United States was injured by reason of imports of stainless steel butt-weld pipe fittings from Taiwan that were being sold at less than fair value.⁶ On June 16, 1993, Commerce published a countervailing duty order covering the subject merchandise from Taiwan.⁷

In February 2000, in the first five-year reviews of these orders, the Commission determined that revocation of the antidumping duty orders covering stainless steel butt-weld pipe fittings from Japan,

¹ Commissioner Shara L. Aranoff did not participate in this determination.

² Certain Stainless Steel Butt-Weld Pipe Fittings From Japan, Inv. No. 731-TA-376 (Final), USITC Pub. 2067 (Mar. 1988) (“Japan Original Determination”).

³ 53 Fed. Reg. 9787.

⁴ Certain Stainless Steel Butt-Weld Pipe Fittings From Korea, Inv. No. 731-TA-563 (Final), USITC Pub. 2601 (Feb. 1993) (“Korea Original Determination”).

⁵ 58 Fed. Reg. 11029.

⁶ Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan, Inv. No. 731-TA-6563 (Final), USITC Pub. 2641 (June 1993) (“Taiwan Original Determination”).

⁷ 58 Fed. Reg. 33250.

Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁸

On February 2, 2005, the Commission instituted these second reviews pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”), to determine whether revocation of the countervailing duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to the domestic industry.⁹

On May 9, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate with respect to all of these second reviews. The Commission did not receive a response from any respondent interested party relating to subject imports from Japan, Korea, or Taiwan and therefore determined that the respondent interested party group responses to the notice of institution were inadequate with respect to each of the reviews. In the absence of adequate respondent interested party group responses the Commission determined to conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930, as amended.¹⁰ No respondent interested party has provided any information or argument to the Commission.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”¹¹ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹²

In these five-year reviews, Commerce has defined the scope of the antidumping duty order on Japanese subject merchandise as follows:

*The products covered by this order include certain stainless steel butt-weld pipe and tube fittings, or SSPFs. These fittings are used in piping systems for chemical plants, pharmaceutical plants, food processing facilities, waste treatment facilities, semiconductor equipment applications, nuclear power plants and other areas. This merchandise is classifiable under the Harmonized Tariff Schedules of the United States (“HTSUS”) item number 7307.23.0000.*¹³

⁸ Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan, Invs. Nos. 731-TA-376, 563, and 564, USITC Pub. 3280 (Feb. 2000) (“First Review Determinations”) (Commissioner Askey dissenting with respect to stainless steel butt-weld pipe fittings from Korea).

⁹ 70 Fed. Reg. 5478.

¹⁰ 19 U.S.C. § 1675(c)(3); Explanation of Determination on Adequacy, Confidential Staff Report, INV-CC-087 (June 8, 2005) (“CR”) at Appendix B; Public Staff Report (“PR”) at Appendix B.

¹¹ 19 U.S.C. § 1677(4)(A).

¹² 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 96-249 at 90-91 (1979).

¹³ Certain Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders, Case Nos. A-588-702, A-580-813, and A-583-816, 70 Fed. Reg.

(continued...)

Commerce has defined the scope of the antidumping duty orders on Korean and Taiwan subject merchandise as follows:

The products subject to [these] order[s] are certain welded stainless steel butt-weld pipe fittings (pipe fittings), whether finished or unfinished, under 14 inches in inside diameter. Pipe fittings are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise can be used where one or more of the following conditions is a factor in designing the piping system: (1) Corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; (5) high pressures are contained within the system. Pipe fittings come in a variety of shapes, and the following five are the most basic: “elbows,” “tees,” “reducers,” “stub ends,” and “caps.” The edges of finished fittings are beveled. Threaded, grooved, and bolted fittings are excluded from this review. The pipe fittings subject to this order are classifiable under subheading 7307.23.00 of the HTSUS.¹⁴

In each of its original investigations, the Commission defined the domestic like product as stainless steel butt-weld pipe fittings corresponding to Commerce’s scope of the subject merchandise.¹⁵ The Commission adopted the same like product definition in the first five-year reviews, co-extensive with Commerce’s scope.¹⁶

The domestic interested parties agree with the Commission’s like product definition from the first five-year reviews: certain welded stainless steel butt-weld pipe fittings.¹⁷

We find no new information on the record of these reviews that would warrant finding a different domestic like product definition than that found in the original investigations and the first reviews.¹⁸ We therefore define the domestic like product in these reviews as “stainless steel butt-weld pipe fittings,” co-extensive with Commerce’s definition of the scope of the antidumping duty orders.

¹³ (...continued)

53631, 53632 (Sept. 9, 2005) (“Final Review Results”).

¹⁴ Final Review Results, 70 Fed. Reg. at 53632.

¹⁵ Japan Original Determination at 7; Korea Original Determination at 3-4; Taiwan Original Determination at 3-4.

¹⁶ First Review Determinations at 5.

¹⁷ Letter from Collier Shannon Scott to Secretary Marilyn Abbott on behalf of Flowline Division of Markovitz Enterprises, Inc., Gerlin, Inc., Shaw Alloy Piping Products, Inc., and Taylor Forge Stainless, Inc. in response to the notice of institution, Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan, Inv. Nos. 731-TA-376, 563, and 564 (Second Reviews) (Mar. 23, 2005) (“Domestic Interested Parties’ Response”) at 19.

¹⁸ See, generally, CR at I-15-18; PR at I-14-16.

B. Domestic Industry

1. In General

Section 771(4)(A) of the Act defines the relevant industry as the “domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product.”¹⁹

In its original investigations and in the first five-year reviews, the Commission defined the domestic industries as all domestic producers of stainless steel butt-weld pipe fittings. The domestic interested parties agree with this definition of the domestic industry,²⁰ and no new facts have been presented to warrant a conclusion different from that reached by the Commission in the original investigation and the first five-year reviews. We therefore define the domestic industry as all domestic producers of stainless steel butt-weld pipe fittings.²¹ At present, there are believed to be 11 domestic producers of stainless steel butt-weld pipe fittings: Shaw Alloy Piping Products, Inc., Flowline Division of Markovitz Enterprises, Inc., Gerlin Inc., Taylor Forge Stainless, Inc., Alaskan Copper, American Fittings, Bestweld, Felker Brothers, Flo-Mac, Jero, and Swagelok.²²

III. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.²³

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. Also, the statute precludes cumulation if the Commission finds that subject imports from a

¹⁹ 19 U.S.C. § 1677(4)(A).

²⁰ Domestic Interested Parties’ Response at 19.

²¹ With respect to related parties, the Commission found no related parties in the Japan original determination, Japan Original Determination at 7, and determined not to exclude three related parties from the domestic industry in the Korea and Taiwan original determinations. Korea Original Determination at 6; Taiwan Original Determination at 1 (citing Korea Original Determination at 6). In the first reviews, the Commission determined not to exclude one related party from the domestic industry. See First Review Determinations at 6. There are no related party issues in these reviews. See CR at I-20; PR at I-18.

²² CR at I-20; PR at I-18.

²³ 19 U.S.C. § 1675a(a)(7).

country are likely to have no discernible adverse impact on the domestic industry.²⁴ We note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.²⁵ With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.²⁶

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied, as Commerce initiated all the reviews on February 2, 2005.²⁷

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.²⁸ Only a “reasonable overlap” of competition is required.²⁹ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Because of the prospective nature of five-year reviews, the Commission also has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.³⁰

²⁴ 19 U.S.C. § 1675a(a)(7).

²⁵ SAA, H.R. Rep. No. 103-316, vol. I (1994).

²⁶ For a discussion of the analytical framework of Chairman Koplan and Commissioner Hillman regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

²⁷ Notice of Initiation of Five-year (“Sunset”) Reviews, 70 Fed. Reg. 5415 (Feb. 2, 2005).

²⁸ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff’d*, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int’l Trade 1988), *aff’d*, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, Court No. 93-12-00817, Slip Op. 96-120 at 10-11 (Aug. 2, 1996).

²⁹ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom*, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

³⁰ See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 790 F. Supp. at 1172 (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries).

(continued...)

B. No Discernible Adverse Impact

We do not find that revocation of any of the individual antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would likely have no discernible adverse impact on the domestic industry. Each subject country exported stainless steel butt-weld pipe fittings to the United States throughout the period of investigation (“POI”) of these reviews,³¹ and exported a substantial volume of stainless steel butt-weld pipe fittings to third markets in 2004.³² We find that a significant portion of these exports to third markets would likely be redirected to the U.S. market were the orders to be revoked, having a discernible adverse impact on the domestic industry.

C. Likely Reasonable Overlap of Competition

The Commission generally has considered whether subject imports compete with each other and with the domestic like products with reference to four factors: 1) fungibility; 2) sales or offers in the same geographic markets; 3) common or similar channels of distribution; and 4) simultaneous presence.³³ Based on these four factors, the Commission found a reasonable overlap of competition between subject imports from Korea and Taiwan and the domestic like product in the original investigations,³⁴ and between subject imports from Japan, Korea, and Taiwan, and the domestic like product, in the first reviews.³⁵

In these reviews, based upon the four factors the Commission customarily considers, we find a likely reasonable overlap of competition among subject imports from all sources and between these imports and the domestic like product if the orders were to be revoked. There is little new information to suggest that stainless steel butt-weld pipe fittings from Japan, Korean, Taiwan, and the United States are any less interchangeable today than in the first reviews,³⁶ Subject imports from Japan, Korea, and Taiwan enter the United States through many of the same ports, spread across the country so as to serve the same geographic markets as the domestic industry.³⁷ The Commission’s most recent antidumping investigation

³⁰ (...continued)

States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

³¹ CR/PR at Table I-9 (based upon official Commerce import statistics); CR at I-30; PR at I-27.

³² See CR/PR at Tables I-11-13 (UN statistics indicate that exports of subject merchandise to third markets in 2004 were *** pounds from Japan, *** pounds from Korea, and *** pounds from Taiwan).

³³ See footnote 28, *supra*.

³⁴ See Korea Original Determination at 11-13; Taiwan Original Determination at 7-9. Cumulation was not an issue in the original investigation of Japanese subject imports, because the investigation concerned only Japan.

³⁵ First Review Determinations at 8-9.

³⁶ See CR at I-17; PR at I-16 (In the original investigations, “almost all of the distributors...saw no significant differences...between domestically produced and Japanese fittings...{and} most purchasers reported that domestic fittings and fittings from Korea and Taiwan were interchangeable.”). Although we note that Benex of Japan is the only manufacturer of subject merchandise listed on the 2005 ExxonMobil approved manufacturer list (“AML”), as well as the AMLs for three other purchasers, this represents only a small portion of the total market for stainless steel butt-weld pipe fittings. CR at I-18, as modified by Memorandum INV-CC-142; PR at 16.

³⁷ CR at I-30; PR at I-26 (Between 1999 and 2004, Japanese subject imports entered primarily through the ports of Houston, Norfolk, New York, Philadelphia, and Los Angeles; Korean subject imports entered primarily through the ports of Los Angeles, Houston, Chicago, Charleston, and New York; Taiwan subject imports entered primarily
(continued...)

concerning stainless steel butt-weld pipe fittings indicates that such fittings are sold nationwide by distributors that carry both domestic and imported merchandise.³⁸ Subject imports from Japan, Korea, and Taiwan, respectively, and the domestic like product, were present in the U.S. market in every quarter between 1999 and 2004.³⁹

For all the foregoing reasons, we exercise our discretion to cumulate subject imports from Japan, Korea, and Taiwan in these reviews.⁴⁰

IV. WHETHER REVOCATION OF THE ORDERS IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard in a Five-year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁴¹ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁴² Thus, the likelihood standard is prospective in nature.⁴³ The U.S. Court of International Trade has found that

³⁷ (...continued)

through the ports of Houston, Los Angeles, Savannah, Seattle, and Chicago.).

³⁸ CR at I-29; PR at I-26 (citing Certain Stainless Steel But-Weld Pipe Fittings From Germany, Inv. No.731-TA-864 (Final), USITC Pub. 3372 (Nov. 2000) at I-7); see also CR at I-18; PR at I-16 (“The vast majority of stainless steel butt-weld pipe fittings are sold through distributors.”).

³⁹ CR at I-30; PR at I-27.

⁴⁰ We find no other factors on the record that significantly detract from our determination to cumulate subject imports from Japan, Korea, and Taiwan.

⁴¹ 19 U.S.C. § 1675a(a).

⁴² SAA at 883-84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

⁴³ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

“likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{44 45 46 47 48 49}

⁴⁴ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁴⁵ Chairman Koplan agrees with the Court that “‘likely’ means ‘likely’...” Usinor Industeel, S.A. et al v. United States, No. 01-00006, Slip. Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). Because Chairman Koplan also agrees that the term “likely” as used in the statute is not ambiguous, he does not believe that the Commission need supply a synonym for it. Nevertheless, were Chairman Koplan to select a synonym for “likely,” he would accept the Court’s conclusion that “likely” is best equated with “probable,” and that it does not mean “possible.” If some event is likely to happen, under common usage of the term, it probably will happen. If one considers the term “probably” to be tantamount to “more likely than not,” then in the context of a sunset review such as this one, upon revocation of the respective orders either injury probably will continue or recur (more likely than not) or it probably will not continue or recur.

⁴⁶ Vice Chairman Okun notes that consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” to mean “probable.” See Usinor Industeel, S.A. et. al. v. United States, No. 01-00006, Slip. Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). However, she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue. See also Additional and Separate Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson Concerning the “Likely” Standard; Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

⁴⁷ Commissioner Hillman interprets the statute as setting out a standard of whether it is “more likely than not” that material injury would continue or recur upon revocation. She assumes that this is the type of meaning of “probable” that the Court intended when the Court concluded that “likely” means “probable”. See Separate Views of Vice Chairman Jennifer A. Hillman Regarding the Interpretation of the Term “Likely”, in Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Views on Remand), Invs. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review) (Remand), USITC Pub. 3526 (July 2002) at 30-31.

⁴⁸ While, for purposes of these reviews, Commissioner Pearson does not take a position on the correct interpretation of “likely,” he notes that he would have made the same determination under any interpretation of “likely” other than equating “likely” with merely “possible.” See Commissioner Pearson’s dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 at 15-17 (June 2004).

⁴⁹ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁵⁰ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis [in original investigations].”^{51 52}

Although the standard in a five-year review is not the same as the standard applied in an original antidumping or countervailing duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁵³ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁵⁴

Section 751(c)(3) of the Act and the Commission’s regulations provide that in an expedited five-year review, the Commission may issue a final determination “based on the facts available, in accordance with section 776 of the Act.”⁵⁵ We have relied on the facts available in these reviews, which consist primarily of information from the original investigations and first reviews, information submitted by the domestic interested parties, and official Commerce statistics.

⁵⁰ 19 U.S.C. § 1675a(a)(5).

⁵¹ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁵² In analyzing what constitutes a reasonably foreseeable time, Chairman Koplan examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

⁵³ 19 U.S.C. § 1675a(a)(1).

⁵⁴ 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. See CR at I-9, as revised by Memorandum INV-CC-155 (Sept. 19, 2005); PR at I-8. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁵⁵ 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a).

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵⁶

In each of the original investigations, the Commission identified several relevant conditions of competition. In the Japan original determination, the Commission noted that both apparent domestic consumption and domestic production capacity had increased between 1984 and 1986.⁵⁷ In the Korea original determination, the Commission identified the recession and the existence of an “approved” segment of the domestic market for stainless steel butt-weld pipe fittings, in which subject import competition with domestic producers was attenuated, as relevant conditions of competition.⁵⁸ In the Taiwan original determination, the Commission again identified attenuated subject import competition in the “approved” segment of the domestic market as a relevant condition of competition.⁵⁹

In its first five-year reviews, the Commission identified several conditions of competition pertinent to its analysis of the U.S. market for stainless steel butt-weld pipe fittings. It found that the number of stainless steel butt-weld pipe fittings producers had increased worldwide over the preceding decade, in part due to low barriers of entry, and that the responding domestic producers had identified nine U.S. producers.⁶⁰ It noted the general substitutability of subject imports and the domestic like product, with the exception of stainless steel butt-weld pipe fittings produced for certain specialized applications.⁶¹ It observed that U.S. apparent consumption of stainless steel butt-weld pipe fittings, a function of manufacturing and nuclear power plant construction activity, had increased since the original investigations, although domestic producer market share had declined.⁶² Finally, it found that domestic industry capacity utilization had increased from under 50 percent over the 1984-1986 period to 76 percent in 1989, but had declined during 1997 to *** percent.⁶³

We identify three conditions of competition relevant to these reviews.⁶⁴ First, as in the first review, the U.S. market continues to be supplied by domestic product and imports from both subject and

⁵⁶ 19 U.S.C. § 1675a(a)(4).

⁵⁷ Japan Original Determination at 7-8.

⁵⁸ Korea Original Determination at 7-8.

⁵⁹ Taiwan Original Investigation at 4-5.

⁶⁰ First Review Determinations at 12.

⁶¹ First Review Determinations at 12 (noting that stainless steel butt-weld pipe fittings used in the petrochemical and nuclear industries must be certified).

⁶² First Review Determinations at 12-13.

⁶³ First Review Determinations at 13; CR/PR at Table I-8.

⁶⁴ In addition, we note the imposition of antidumping duty orders on certain stainless steel butt-weld pipe fittings from Italy, Malaysia, and the Philippines. See Antidumping Duty Orders: Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Case Nos. A-475-828, A-557-809, A-505-801, 66 Fed. Reg. 11257 (Feb. 23, 2001).

non-subject sources. A recent development is the significant increase in imports of stainless steel butt-weld pipe fittings from China.⁶⁵

Second, as noted in our analysis of cumulation, subject imports and the domestic like product continue to be generally substitutable. Stainless steel butt-weld pipe fittings are frequently produced in standard grades and shapes, and for many uses can be considered a commodity product. Suppliers to the petrochemical and nuclear industries must be on AMLs.⁶⁶

Third, domestic demand for stainless steel butt-weld pipe fittings has increased slightly since the first reviews,⁶⁷ and substantially since the original investigations.⁶⁸ By contrast, the domestic interested parties claim that domestic demand for stainless steel butt-weld pipe fittings is “severely depressed,”⁶⁹ based on their own estimate of apparent U.S. consumption.⁷⁰

C. Likely Volume of Subject Imports

In evaluating the likely volume of subject imports were the orders to be revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁷¹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁷²

In each of the original investigations, the Commission found a significant increase in subject import volume. In the Japan original determination, the Commission found that Japanese market share “rose significantly” as subject import volume registered “massive growth” over the POI.⁷³ In the Korea and Taiwan original determinations, the Commission found that cumulated subject import volume and

⁶⁵ CR at I-29 n.91; PR at I-26 n.91 (non-subject Chinese imports increased from 77,353 pounds in 1999 to 2.4 million pounds in 2004).

⁶⁶ CR at I-17-18, as modified by Memorandum INV-CC-142; PR at I-16. Petitioners estimated in the Korea and Taiwan original investigations that purchases from approved manufacturers accounted for only *** percent of the market. CR at I-17 n. 59; PR at I-16 n.59.

⁶⁷ CR/PR at Table I-10 (Apparent U.S. consumption of stainless steel butt-weld pipe fittings declined from *** pounds in 1997 to *** pounds in 1998, but subsequently increased to *** pounds in 2004.). Apparent U.S. consumption in the staff report of these reviews, as in the first reviews, was calculated using the domestic shipments reported by the domestic interested parties, which represented *** percent of domestic production in 2004. Id. at n.1; First Review Determinations at Table I-3.

⁶⁸ See CR/PR at Table I-10 (apparent U.S. consumption over the POIs of the original investigations ranged from a low of *** pounds in 1984 to a high of *** pounds in 1989).

⁶⁹ Domestic Interested Parties’ Response at 18.

⁷⁰ The domestic interested parties estimate that apparent U.S. consumption, including all domestic shipments, declined from *** pounds in 2000 to *** pounds in 2004. Domestic Interested Parties’ Response at Exh. 1.

⁷¹ 19 U.S.C. § 1675a(a)(2).

⁷² 19 U.S.C. § 1675a(a)(2)(A-D).

⁷³ Japan Original Determination at 10.

market share had increased significantly, if irregularly, from 1.7 million pounds in 1989 to 2.7 million pounds in 1991.⁷⁴

In the first five-year reviews, the Commission found that cumulated subject import volume would likely increase to a significant level were the orders to be revoked.⁷⁵ The Commission based this finding in part on the considerable stainless steel butt-weld pipe fittings capacity found in Japan, Korea, Taiwan during the original investigations, the substantial exports of stainless steel pipe fittings to third countries by producers in Japan, Korea, and Taiwan, and the past ability of subject producers to divert shipments from their home and third markets to the U.S. market.⁷⁶

In these reviews, we find that subject import volume would likely increase significantly were the orders to be revoked. In the original investigations, the Commission found significant stainless steel butt-weld pipe fittings production capacity in Japan and Taiwan,⁷⁷ and there is no information on the record of these reviews to indicate that any significant capacity reductions have occurred. The substantial increase in Korean exports of stainless steel butt-weld pipe fittings to the United States and third markets in 2004 over levels in the original investigations and the first reviews indicates that the Korean industry possesses significant stainless steel butt-weld pipe-fittings capacity.⁷⁸ The domestic interested parties maintain that all three countries continue to have ample capacity to ship substantial volumes of subject merchandise to the U.S. market in the event of revocation.⁷⁹

The stainless steel butt-weld pipe fittings industries in Japan, Korea, and Taiwan are export oriented, with substantial exports to third markets.⁸⁰ Subject producers found the U.S. market to be an attractive one during the original investigations, and we have no basis to conclude otherwise on the current record. In fact, subject foreign producers have demonstrated their export orientation towards the United States in significantly increasing their exports of stainless steel butt-weld pipe fittings to the U.S. market since the first reviews, increasing their share of the U.S. market from *** percent in 1998 to *** in 2004, despite the discipline imposed by the orders.⁸¹ Accordingly, we find that subject foreign producers would likely capitalize on the revocation of the orders by significantly increasing their exports of subject merchandise to the United States, beyond what was possible with the orders in place.

We consequently conclude that subject import volume would likely increase significantly were the orders to be revoked.

⁷⁴ Korea Original Determination at 15; Taiwan Original Determination at 11.

⁷⁵ First Review Determinations at 14.

⁷⁶ First Review Determinations at 14-15. In the absence of original capacity data for Korea, the Commission cited the substantial value of Korean exports of subject product.

⁷⁷ See CR/PR at Tables I-11, 13.

⁷⁸ CR/PR at Table I-12.

⁷⁹ See Domestic Interested Parties Response at 16-17.

⁸⁰ See CR/PR at Tables I-11-13.

⁸¹ CR/PR at Table I-10 (based upon data from the domestic interested parties, subject imports held *** percent of the broader market in 2004).

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports were the orders to be revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁸²

In the original investigations, the Commission found that the subject imports consistently undersold the domestic like product and depressed domestic prices.⁸³

In the first five-year reviews, the Commission found that revocation of the orders would likely result in adverse price effects in the reasonably foreseeable future.⁸⁴ The Commission found that the underselling that prevailed in the original investigations would likely resume were the orders to be revoked, given the importance of price to purchasing decisions, competitive pressure from non-subject imports, and evidence of continued underselling.⁸⁵

The current record contains no new data on specific product prices. We note that the average unit value (“AUV”) of subject imports in 2004 was well below the AUV of shipments of the domestic like product.⁸⁶ We continue to find that stainless steel butt-weld pipe fittings are generally a price-sensitive commodity product, with purchasing decisions driven by price.

Subject imports would also have to compete with existing low-priced non-subject imports to gain U.S. market share.⁸⁷ Accordingly, we find that the underselling found in the original investigations and the first reviews would likely recur in the event of revocation. We consequently find that revocation of the orders would likely result in significant adverse price effects.

⁸² 19 U.S.C. § 1675a(a)(3).

⁸³ In the Japan original determination, the Commission found that the prices of imports of stainless steel butt-weld pipe fittings from Japan were consistently below the prices of U.S.-made stainless steel butt-weld pipe fittings throughout the period of investigation by margins ranging from 4 to 60 percent. Japan Original Determination at 14-16. In the Korea and Taiwan original determinations, the Commission similarly found that Korean stainless steel butt-weld pipe fitting undersold the domestic product in 16 of 17 possible price comparisons, and Taiwan imports undersold the domestic product in all instances. Korea Original Determination at 16-17.

⁸⁴ First Review Determinations at 15-16.

⁸⁵ First Review Determinations at 16.

⁸⁶ Compare CR/PR at Table I-8 (domestic industry AUV of *** per pound) with *id.* at Table I-9 (subject import AUV of *** per pound). We recognize that product mix issues in these reviews complicate AUV comparisons. See, e.g., CR at I-18, as modified by Memorandum INV-CC-142; PR at I-16. We also note that comparisons of average unit values, particularly at different levels of trade, are less informative than direct price comparisons.

⁸⁷ See CR at I-28-29 & n.91; PR at I-26 & n.91 (non-subject imports from China increased from 77,353 pounds in 1999 to 2.4 million pounds in 2004); Domestic Interested Parties’ Response at Exhibit 2 (Chinese AUVs were \$2.12 per pound in 1999, \$2.08 per pound in 2000, \$2.14 per pound in 2001, \$2.71 per pound in 2002, \$2.56 per pound in 2003, and \$3.83 in 2004.).

E. Likely Impact of Subject Imports

In evaluating the likely impact of subject imports were the orders to be revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁸⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁸⁹ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.⁹⁰

In the Japan original determination, the Commission found that the increasing volume of the lower-priced subject imports, and the significant market share accounted for by those imports, depressed domestic prices and caused the domestic industry to suffer growing financial losses.⁹¹ In its Korea and Taiwan original determinations, the Commission found that the significant increase in cumulated imports, their large market share, and the substitutability of the subject imports and the domestic like product led to decreased sales of the domestic like product.⁹² In addition, the Commission found that the subject imports had adversely impacted the domestic industry by depressing domestic producer prices and sales volumes, which reduced domestic industry operating profits and employment.⁹³

In the first reviews, the Commission found that the orders had helped to sustain the domestic industry's financial performance in the face of increasing non-subject import competition, though the industry remained vulnerable.⁹⁴ The Commission concluded that revocation of the orders would likely

⁸⁸ 19 U.S.C. § 1675a(a)(4).

⁸⁹ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce found that revocation of the antidumping duty findings would likely result in the continuation or recurrence of dumping at the following weighted-average margins: with respect to Japanese producers, 65.08 percent for Mie Horo, 37.24 percent for Benkan, and 49.31 percent for all others; with respect to Korean producers, 21.20 percent for The Asia Bend Co., and 21.20 percent for all others; with respect to Taiwan producers, 76.20 percent for Tachia Yung Ho, 6.42 for Ta Chen, 76.20 percent for Tru-Flow, and 51.01 percent for all others. CR/PR at Tables I-3-5, as modified by Memorandum INV-CC-155 (Sept. 19, 2005).

⁹⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

⁹¹ Japan Original Determination at 15.

⁹² Korea Original Determination at 17.

⁹³ Korea Original Determination at 17.

⁹⁴ First Review Determinations at 17-18.

result in the continuation or recurrence of material injury based on its findings of a likely significant increase in subject import volume and likely adverse price effects.⁹⁵

In these reviews, we find that the evidence is inconclusive as to whether any improvements to the domestic industry have resulted from the orders and whether the domestic industry is vulnerable. Since the first reviews, subject import volume has increased, and subject import AUVs have declined, notwithstanding the antidumping duty orders.⁹⁶ The domestic interested parties claim that the orders have benefitted the domestic industry by restraining subject import volume and increasing subject import prices until recently.⁹⁷

Domestic industry shipments and market share have declined since the first reviews,⁹⁸ but the AUV of the domestic like product has increased substantially since the original investigations and first reviews.⁹⁹ Unlike in the first reviews, we have no information on the domestic industry's capacity utilization or profitability over the POI of these reviews with which to assess vulnerability.¹⁰⁰ We are therefore unable to reach a conclusion as to whether any improvements in the condition of the domestic industry are attributable to the orders, or whether the domestic industry is vulnerable.

We do find that were the orders to be revoked, the likely significant increase in subject import volume, coupled with their likely adverse price effects, would likely have a significant negative impact on the domestic industry in terms of output, sales, market share, profits, productivity, return on investments, utilization of capacity, cash flow, inventories, employment, wage growth, ability to raise capital, investment, and the industry's development and production efforts.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

⁹⁵ First Review Determinations at 18-19.

⁹⁶ See CR/PR at Table I-9 (subject import volume increased from 1.265 million pounds in 1999 to 3.108 million pounds in 2004, while subject import AUVs declined from \$4.52 per pound in 1999 to \$3.51 per pound in 2004).

⁹⁷ See Domestic Interested Parties' Response at 6-9 (arguing that the orders restrained subject imports after their imposition, though Korean subject imports have increased since TK Corp. received a zero margin in a new shipper review, and Ta Chen acquired existing distributors in the United States to establish itself as a master distributor), 9-12 (arguing that orders increased subject import prices until recently, when Korean and Taiwan AUVs have declined due to intensified non-subject import competition).

⁹⁸ CR/PR at Table I-10 (domestic industry market share declined from *** percent in 1998 to *** percent in 2004).

⁹⁹ CR/PR at Table I-8 (the AUV of the domestic like product was *** per pound in 1986, *** per pound in 1991, *** per pound in 1998, and *** per pound in 2004). We recognize that this increase in the AUV of stainless steel butt-weld pipe fittings might have resulted in part from higher costs, although the record contains no information on the production cost of stainless steel butt-weld pipe fittings.

¹⁰⁰ See CR/PR at Table I-8; see also First Review Determinations at 18. We note that the domestic interested parties provided information on all items requested in the notice of institution, but have volunteered less additional information in these reviews than they did in the first reviews.

INFORMATION OBTAINED IN THE SECOND REVIEW

INTRODUCTION

Background

On February 2, 2005, in accordance with section 751(c) of the Tariff Act of 1930 (“the Act”),¹ as amended, the U.S. International Trade Commission (“Commission”) gave notice² that it had instituted second five-year (“sunset”) reviews to determine whether revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.^{3 4} On May 9, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate;⁵ the Commission also determined that the respondent interested party group response was inadequate.⁶ The Commission found no other circumstances that would warrant conducting full reviews.⁷ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.⁸ Information relating to the background of these reviews is presented in table I-1.

The Original Investigations and Initial Five-Year Reviews

In March 1988, the Commission completed its original investigation concerning Japan (inv. No. 731-TA-376), determining that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings from Japan that Commerce determined were being sold, or were likely to be sold, at less than fair value (LTFV).⁹ On March 25, 1988, Commerce published an antidumping duty order on the imports of subject merchandise from Japan.¹⁰

¹ 19 U.S.C. § 1675(c).

² 70 FR 5478, February 2, 2005.

³ All interested parties were requested to respond to the notice by submitting information requested by the Commission. Copies of the Commission’s *Federal Register* notices are presented in app. A.

⁴ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (Commerce) published a notice of initiation of five-year reviews of the subject antidumping duty orders concurrently with the Commission’s notice of institution. 70 FR 5415, February 2, 2005.

⁵ The Commission received responses from four producers of stainless steel butt-weld pipe fittings: Flowline Division of Markovitz Enterprises, Inc.; Gerlin Inc.; Shaw Alloy Piping Products, Inc.; and Taylor Forge Stainless, Inc. See joint response of Flowline Division of Markovitz Enterprises, Inc.; Gerlin Inc.; Shaw Alloy Piping Products, Inc.; and Taylor Forge Stainless, Inc., March 23, 2005 (“Response of U.S. producers, March 23, 2005”).

⁶ The Commission did not receive a response from any respondent interested party.

⁷ A copy of the *Explanation of Commission Determination on Adequacy* is presented in app. B.

⁸ 19 U.S.C. § 1675(c)(3).

⁹ 53 FR 9713, March 24, 1988. See also *Certain Stainless Steel Butt-Weld Pipe Fittings From Japan: Inv. No. 731-TA-376 (Final)*, USITC Publication 2067, March 1988. The original investigation resulted from a petition filed with Commerce and the Commission on behalf of Flowline Corp. (52 FR 11759, April 10, 1987).

¹⁰ 53 FR 9787.

Table I-1
Stainless steel butt-weld pipe fittings: Chronology of investigations Nos. 731-TA-376, 563, and 564 (Second Review)

Date	Action
February 2, 2005	Commission publishes notice of institution of second five-year reviews in <i>Federal Register</i> ¹
February 2, 2005	Commerce publishes notice of initiation of second five-year reviews in <i>Federal Register</i> ²
May 9, 2005	Commission votes to conduct expedited second five-year reviews ³
May 26, 2005	Commission publishes notice of scheduling for second five-year reviews in <i>Federal Register</i> ⁴
May 26, 2005	Commerce publishes notice of extension of time limit for its final results in <i>Federal Register</i> ⁵
September 9, 2005	Commerce publishes notice of final results of expedited second five-year reviews ⁶
September 20, 2005	Commission's vote
September 29, 2005	Commission's transmittal of determination and views to Commerce
<p>¹ 70 FR 5478. A copy of this <i>Federal Register</i> notice is presented in app. A. ² 70 FR 5415. ³ See USITC News Release 05-050, May 9, 2005. ⁴ 70 FR 30483. A copy of this <i>Federal Register</i> notice is presented in app. A. ⁵ 70 FR 30416. A copy of this <i>Federal Register</i> notice is presented in app. A. ⁶ 70 FR 53631. A copy of this <i>Federal Register</i> notice is presented in app. A.</p> <p>Source: Cited <i>Federal Register</i> notices and news release.</p>	

In February 1993, the Commission completed its original investigation concerning Korea (inv. No. 731-TA-563), determining that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings from Korea that Commerce determined were being sold, or were likely to be sold, at LTFV.¹¹ On February 23, 1993, Commerce published an antidumping duty order on the imports of subject merchandise from Korea.¹²

In June 1993, the Commission completed its original investigations concerning Taiwan (inv. No. 731-TA-564), determining that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings from Taiwan that Commerce determined were being sold, or were likely to be sold, at LTFV.¹³ On June 16, 1993, Commerce published an antidumping duty order on the imports of subject merchandise from Taiwan.¹⁴

¹¹ 58 FR 11245, February 24, 1993. See also *Certain Stainless Steel Butt-Weld Pipe Fittings From Korea: Inv. No. 731-TA-563 (Final)*, USITC Publication 2601, February 1993. The original investigation resulted from a petition filed with Commerce and the Commission on behalf of Flowline Corp. (57 FR 22486, May 28, 1992).

¹² 58 FR 11029.

¹³ 58 FR 32363, June 9, 1993. See also *Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan: Inv. No. 731-TA-564 (Final)*, USITC Publication 2641, June 1993. The original investigation resulted from a petition filed with Commerce and the Commission on behalf of Flowline Corp. (57 FR 22486, May 28, 1992).

¹⁴ 58 FR 33250.

On July 1, 1999, the Commission instituted initial five-year reviews on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.¹⁵ On February 22, 2000, the Commission determined that revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁶ A historical chronology of the original investigations and the first five-year reviews is presented in table I-2.

Table I-2
Stainless steel butt-weld pipe fittings: Selected historical actions taken by the Commission and Commerce

Action	Date of action	Federal Register citation
Inv. No. 731-TA-376 (Final): ¹		
Commission publishes determination	03/24/1988	53 FR 9713
Commerce publishes antidumping duty order (A-588-702)	03/25/1988	53 FR 9787
Invs. Nos. 731-TA-563 and 564 (Final):		
Commission publishes determination in Inv. No. 731-TA-563 ²	02/24/1993	58 FR 11245
Commerce publishes antidumping duty order (A-580-813) ²	02/23/1993	58 FR 11029
Commission publishes determination in Inv. No. 731-TA-564 ³	06/09/1993	58 FR 32363
Commerce publishes antidumping duty order (A-583-816) ³	06/16/1993	58 FR 33250
Invs. Nos. 731-TA-376, 563, and 564 (Review): ⁴		
Commission publishes notice of institution of reviews	07/01/1999	64 FR 35691
Commerce publishes notice of initiation of reviews	07/01/1999	64 FR 35588
Commission issues determinations	02/22/2000	65 FR 9298
Commerce publishes continuation of antidumping duty orders	03/06/2000	64 FR 11766
¹ This investigation concerned imports from Japan. ² This investigation concerned imports from Korea. ³ This investigation concerned imports from Taiwan. ⁴ The Commission's initial five-year reviews were also expedited.		
Source: Cited <i>Federal Register</i> notices.		

¹⁵ 64 FR 35691, July 1, 1999. The initial five-year reviews were expedited.

¹⁶ 65 FR 9298, February 24, 2000. *See also Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan: Invs. Nos. 731-TA-376, 563, 564 (Review)*, Publication 3280, February 2000 (Commissioner Askey dissenting with respect to stainless steel butt-weld pipe fittings from Korea).

Previous Investigations on Stainless Steel Butt-Weld Pipe Fittings

Following a petition filed on December 29, 1999, by three U.S. producers,¹⁷ the Commission conducted antidumping investigations on certain stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia, and the Philippines. On November 29, 2000, the Commission determined that imports of stainless steel butt-weld pipe fittings from Germany “were negligible for purposes of the Commission’s analysis of material injury by reason of imports of certain stainless steel butt-weld pipe fittings from Germany but that there is a potential that such imports will imminently account for more than three percent of total imports.” The Commission also determined that “an industry in the United States is not threatened with material injury by reason of imports of certain stainless steel butt-weld pipe fittings from Germany that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).”¹⁸ On January 29, 2001, the Commission made affirmative determinations with respect to imports of stainless steel butt-weld pipe fittings from Italy, Malaysia, and the Philippines.¹⁹

Other Related Investigations

The Commission also has conducted several investigations and reviews on related stainless steel products. Following a petition filed on December 31, 1992, by four U.S. producers,²⁰ the Commission conducted antidumping investigations on stainless steel flanges²¹ from India and Taiwan. On February 2, 1994, the Commission made final affirmative determinations,²² resulting in the issuance of antidumping duty orders. On December 1, 1999, the Commission instituted reviews of the outstanding orders on stainless steel flanges from India and Taiwan. Following expedited reviews, on July 26, 2000, the Commission made affirmative determinations,²³ and the orders remained in effect. The Commission instituted second reviews of these orders in July 2005.

¹⁷ The petitioners were Flowline Division of Markovitz Enterprises, Inc., New Castle, PA; Gerlin, Inc., Carol Stream, IL; and Taylor Forge Stainless, Inc., North Branch, NJ.

¹⁸ 65 FR 75955, December 5, 2000. *See also Certain Stainless Steel Butt-Weld Pipe Fittings From Germany: Inv. No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. 1.

¹⁹ 66 FR 8981, February 5, 2001. *See also Certain Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines: Invs. Nos. 731-TA-865-867 (Final)*, USITC Publication 3387, January 2001, p. 1.

²⁰ The petitioners were Flowline Division, Markovitz Enterprises, Inc., New Castle, PA; Gerlin, Inc., Carol Stream, IL; Ideal Forging Corp., Southington, CT; and Maass Flange Corp., Houston, TX.

²¹ Flanges are used to connect pipe sections at points at which the ability to disconnect and reconnect the sections is crucial. Flanges are produced in several sizes (although generally from one to six inches) and general types (weld neck, used for butt-weld line connection; threaded, used for threaded line connections; slip-on and lap joint, used with stub-ends/butt-weld line connections; socket weld, used to fit pipe into a machined recession; and blind, used to seal off a line). Flanges are distinguishable from fittings, which are often used to establish permanent, welded connections between or among pipes or other connectors.

²² *Stainless Steel Flanges from India and Taiwan: Invs. Nos. 731-TA-639-640 (Final)*, USITC Publication 2724, February 1994.

²³ *Forged Stainless Steel Flanges from India and Taiwan: Invs. Nos. 731-TA-639-640 (Review)*, USITC Publication 3329, July 2000.

Following a petition filed on August 2, 1993, by two U.S. producers,²⁴ the Commission conducted an antidumping investigation on certain stainless steel threaded pipe fittings²⁵ from Taiwan. On September 13, 1993, the Commission made a preliminary affirmative determination; however, on July 22, 1994, the petitioners withdrew their petition and requested termination of the antidumping investigation. Subsequently, Commerce and the Commission terminated their investigations.²⁶

Following receipt of a request from the Office of the United States Trade Representative (USTR) on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974²⁷ to determine whether certain steel products, including certain stainless steel fittings and flanges, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.²⁸ On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the United States Senate requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.²⁹ Consistent with the Senate Finance Committee's resolution, the Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation No. TA 201-73.³⁰ On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission was equally divided with respect to stainless steel fittings and flanges.³¹ Because the President ultimately accepted the negative determination of Vice Chairman Okun and Commissioners Miller and Hillman as the Commission's determination, no safeguard action was imposed on imports of stainless steel butt-weld pipe fittings or other forms of stainless steel fittings and flanges.

Commerce's Administrative Reviews

Commerce has conducted four administrative reviews with respect to subject imports from Japan, one administrative review with respect to subject imports from Korea, and three administrative reviews with respect to subject imports from Taiwan. Table I-3 presents information on Commerce's order, administrative reviews, and initial five-year review concerning imports from Japan. Table I-4 presents information on Commerce's order and initial five-year review concerning imports from Korea. Table I-5 presents information on Commerce's order, administrative reviews, and initial five-year review concerning imports from Taiwan.

²⁴ The petition was filed by Capitol Manufacturing Company, Columbus, OH, and Alloy Stainless Products Company, Totowa, NJ.

²⁵ Stainless steel threaded pipe fittings (including elbows, tees, crosses, couplings, unions, and caps) provide non-permanent connections in piping systems that require resistance to corrosion, extreme temperatures, and contamination. Such fittings are distinguishable from butt-weld fittings by their threaded ends, which permit them to be screwed onto threaded pipe ends.

²⁶ 59 FR 39576, August 3, 1994 (Commission's notice of termination); 59 FR 40865, August 10, 1994 (Commerce's notice of termination). *See also Class 150 Stainless Steel Threaded Pipe Fittings from Taiwan: Inv. No. 731-TA-658 (Preliminary)*, USITC Publication 2678, September 1993.

²⁷ 19 U.S.C. § 2252.

²⁸ 66 FR 35267, July 3, 2001.

²⁹ 19 U.S.C. § 2251.

³⁰ 66 FR 44158, August, 22, 2001.

³¹ 66 FR 67304, December 28, 2001.

Table I-3
Stainless steel butt-weld pipe fittings: Commerce's administrative and five-year reviews concerning imports from Japan

Action	Date of action	Federal Register citation	Period of investigation or review	Antidumping duty margins			
				Fuji ¹	Mie Horo	Benkan ²	All others
				<i>Percent ad valorem</i>			
Final determination	02/04/1988	53 FR 3227	11/01/1986-04/30/1987	0.08	65.08	37.24	49.31
Order (A-588-702)	03/25/1988	53 FR 9787	(³)	0.08	65.08	37.24	49.31
Administrative review ⁴	04/12/1991	56 FR 14922	09/16/1987-02/28/1989	(³)	(³)	0.70	(³)
Administrative review ⁴	05/06/1991	56 FR 20592	03/01/1989-02/28/1990	(³)	(³)	6.96	(³)
Administrative review ⁴	10/08/1992	57 FR 46372	03/01/1990-02/28/1991	(³)	(³)	5.37	(³)
Administrative review ⁴	03/16/1994	59 FR 12240	03/01/1992-02/28/1993	(³)	(³)	8.06	49.31
Initial 5-year review	02/04/2000	65 FR 5604	(³)	(³)	65.08	37.24	49.31
Continuation of order	03/06/2000	65 FR 11766	(³)	(³)	65.08	37.24	49.31
Second 5-year review	09/09/2005	70 FR 53631	(³)	(³)	65.08	37.24	49.31

¹ Fuji Acetylene Industries Co., Ltd. (Fuji). Fuji had a *de minimis* antidumping duty margin.
² Nippon Benkan Kogyo, K.K. (Benkan).
³ Not applicable.
⁴ This administrative review covered one manufacturer, Benkan.

Source: Cited *Federal Register* notices.

Table I-4
Stainless steel butt-weld pipe fittings: Commerce's administrative and five-year reviews concerning imports from Korea

Action	Date of action	Federal Register citation	Period of investigation or review	Antidumping duty margins		
				The Asia Bend Co. ¹	SKBC	All others
				<i>Percent ad valorem</i>		
Final determination	12/29/1992	57 FR 61881	12/01/1991-05/30/1992	21.20	(³)	21.20
Order (A-580-813)	02/23/1993	58 FR 11029	(²)	(²)	(²)	(²)
Initial 5-year review	02/04/2000	65 FR 5604	(²)	21.20	(³)	21.20
Continuation of order ³	03/06/2000	65 FR 11766	(²)	(²)	(²)	(²)
Administrative review	07/11/2005	70 FR 39743	02/01/2003-01/31/2004	(²)	0.81	(²)
Second 5-year review	09/09/2005	70 FR 53631	(²)	21.20	(³)	21.20

¹ Asia Bend did not respond to Commerce's questionnaire; consequently, Commerce used "Best Information Available" in calculating its margin for Asia Bend.
² Not applicable.
³ Firm did not receive a specified margin and was subject to the "all others" rate.

Source: Cited *Federal Register* notices.

Table I-5
Stainless steel butt-weld pipe fittings: Commerce's administrative and five-year reviews concerning imports from Taiwan

Action	Date of action	Federal Register citation	Period of investigation or review	Antidumping duty margins			
				Tachia Yung Ho ¹	Ta Chen ²	Tru-Flow ³	All others
				<i>Percent ad valorem</i>			
Final determination	05/14/1993	58 FR 28556	12/01/1991-05/31/1992	76.20	0.68	76.20	51.03
Order (A-583-816) ⁴	06/16/1993	58 FR 33250	(⁵)	76.20	0.64	76.20	51.01
Administrative review	12/09/1998	63 FR 67855	06/01/1996–05/31/1997	(⁵)	0.34	(⁵)	(⁵)
Administrative review	01/13/2000	65 FR 2116	12/23/1992–05/31/1994	(⁵)	76.20	(⁵)	51.01
Initial 5-year review	02/04/2000	65 FR 5604	(⁵)	76.20	0.64	76.20	51.01
Continuation of order ⁶	03/06/2000	65 FR 11766	(⁵)	76.20	0.64	76.20	51.01
Administrative review	12/21/2001	66 FR 65899	06/01/1999–05/31/2000	(⁵)	6.11	(⁵)	51.01
Amended admin. review	08/26/2005	70 FR 50301	06/01/1999–05/31/2000	(⁵)	6.10	(⁵)	51.01
Second 5-year review	09/09/2005	70 FR 53631	(⁵)	76.20	6.42	76.20	51.01
¹ Tachia Yung Ho Machine Industry Co., Ltd. ² Ta Chen Stainless Pipe Co., Ltd. ³ Tru-Flow Industrial Co., Ltd. ⁴ The order included amended final antidumping duty margins for Ta Chen and "all others." ⁵ Not applicable. ⁶ The order covers all manufacturers and exporters in Taiwan.							
Source: Cited <i>Federal Register</i> notices.							

Commerce's Initial Expedited Five-Year Reviews

On July 1, 1999, Commerce initiated initial five-year reviews on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.³² On February 4, 2000, Commerce published its final results of expedited sunset reviews concerning imports from Japan, Korea, and Taiwan.³³ Following affirmative determinations by the Commission, on March 6, 2000, Commerce published its notice of continuation of antidumping duty orders on imports of stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.³⁴

Commerce's Second Expedited Five-Year Reviews

On September 9, 2005, Commerce published the final results of its expedited five-year reviews concerning the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan,³⁵ determining that revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan (table I-3), Korea (table I-4), and Taiwan (table I-5) would likely lead to continuation or recurrence of dumping.

Distribution of Continued Dumping and Subsidy Offset Funds to Affected Domestic Producers

Since September 21, 2001, qualified U.S. producers of stainless steel butt-weld pipe fittings have been eligible to receive disbursements from the U.S. Customs and Border Protection (Customs) under the Continued Dumping and Subsidy Offset Act of 2000 (CDSOA), also known as the Byrd Amendment.³⁶ Four firms, Flowline, Gerlin, Shaw Alloy Piping Products, and Taylor Forge Stainless, received such funds.³⁷ Table I-6 presents U.S. producers' CDSOA claims and disbursements for federal fiscal years 2001-04.

³² 64 FR 35588, July 1, 1999. The initial reviews were expedited.

³³ 65 FR 5604.

³⁴ 65 FR 11766.

³⁵ A copy of Commerce's *Federal Register* notice is presented in app. A.

³⁶ 19 CFR 159.64(g).

³⁷ See U.S. Customs' *CDSOA Annual Reports* for fiscal years 2001, 2002, 2003, and 2004.

Table I-6
Stainless steel butt-weld pipe fittings: U.S. producers' CDSOA claims and disbursements, Federal fiscal years 2001-04

Fiscal year ¹ /order	Claim number	Share of yearly allocation	Certification amount ²	Amount disbursed ³
		Percent	Dollars	
2001:				
A-588-702 (Japan):				
Flowline ⁴	110697	27.7	52,942,134	20,433
Shaw Alloy Piping Products	110394	39.6	75,660,755	29,202
Taylor Forge Stainless	110391	32.7	62,406,665	24,086
Subtotal		100.0	191,009,554	73,721
A-580-813 (Korea):				
Flowline ⁴	110696	21.3	37,726,883	4,511
Gerlin	110386	26.3	46,582,381	5,570
Shaw Alloy Piping Products	110393	30.5	54,035,410	6,461
Taylor Forge Stainless	110390	21.8	38,594,382	4,614
Subtotal		100.0	176,939,056	21,155
A-583-816 (Taiwan):				
Flowline ⁴	110700	21.2	36,427,981	4,600
Gerlin	110385	26.5	45,612,637	5,759
Shaw Alloy Piping Products	110392	30.6	52,645,039	6,647
Taylor Forge Stainless	110389	21.6	37,129,068	4,688
Subtotal		100.0	171,814,725	21,695
2002:				
A-588-702 (Japan):				
Flowline ⁴	121026	27.6	55,967,776	36,477
Shaw Alloy Piping Products	120723	39.3	79,552,610	51,849
Taylor Forge Stainless	120736	33.1	67,006,875	43,672
Subtotal		100.0	202,527,261	131,999
A-580-813 (Korea):				
Flowline ⁴	121050	21.4	40,768,448	264
Gerlin	120725	25.5	48,599,778	314
Shaw Alloy Piping Products	120722	30.4	57,950,006	375
Taylor Forge Stainless	120735	22.7	43,214,064	279
Subtotal		100.0	190,532,296	1,232
A-583-816 (Taiwan):				
Flowline ⁴	121024	21.3	39,469,458	93,044
Gerlin	120724	25.7	47,629,845	112,281
Shaw Alloy Piping Products	120721	30.5	56,549,449	133,308
Taylor Forge Stainless	120734	22.5	41,748,676	98,417
Subtotal		100.0	185,397,427	437,049

Table continued. See footnotes at end of table.

Table I-6--Continued

Stainless steel butt-weld pipe fittings: U.S. producers' CDSOA claims and disbursements, Federal fiscal years 2001-04

Fiscal year ¹ /order	Claim number	Share of yearly allocation	Certification amount ²	Amount disbursed ³
		Percent	Dollars	
2003:				
A-588-702 (Japan):				
Flowline ⁴	131959	27.1	58,001,054	2,599
Shaw Alloy Piping Products	131470	39.7	84,936,632	3,806
Taylor Forge Stainless	130996	33.2	71,033,202	3,183
Subtotal		100.0	213,970,888	9,588
A-580-813 (Korea):				
Flowline ⁴	132138	21.0	42,837,940	119,240
Gerlin	131476	24.8	50,568,772	140,759
Shaw Alloy Piping Products	131471	31.0	63,334,028	176,291
Taylor Forge Stainless	131000	23.2	47,283,784	131,615
Subtotal		100.0	204,024,524	567,904
A-583-816 (Taiwan):				
Flowline ⁴	132095	20.9	41,446,171	8,095
Gerlin	131477	24.9	49,486,872	9,666
Shaw Alloy Piping Products	131472	31.2	61,862,012	12,083
Taylor Forge Stainless	131000	23.0	45,720,258	8,930
Subtotal		100.0	198,515,313	38,775
2004:				
A-588-702 (Japan):				
Flowline ⁴	140989	27.0	59,863,439	1,064
Shaw Alloy Piping Products	140893	39.5	87,462,114	1,554
Taylor Forge Stainless	140875	33.4	74,010,994	1,315
Subtotal		100.0	221,336,547	3,933
A-580-813 (Korea):				
Flowline ⁴	140990	21.0	44,583,683	144,789
Gerlin	140887	24.5	52,155,998	169,381
Shaw Alloy Piping Products	140892	30.9	65,687,026	213,324
Taylor Forge Stainless	140876	23.6	50,133,144	162,811
Subtotal		100.0	212,559,851	690,304
A-583-816 (Taiwan):				
Flowline ⁴	140991	20.9	43,303,057	59,653
Gerlin	140866	24.7	51,205,191	71,987
Shaw Alloy Piping Products	140891	31.0	64,379,217	85,468
Taylor Forge Stainless	140877	23.5	48,692,302	63,098
Subtotal		100.0	207,579,767	280,206

¹ The Federal fiscal year is October 1-September 30.² Qualifying expenditures incurred by domestic producers since the issuance of an order, as presented in Section I of the CDSOA Annual Reports.³ As presented in Section I of Customs' CDSOA Annual Reports.⁴ Flowline Division of Markovitz Enterprises.

Source: U.S. Customs and Border Protection's CDSOA Annual Reports.

THE PRODUCT

Scope

Commerce typically publishes a description of the subject merchandise and applicable margins on its web site under *Case History*. However, as of September 19, 2005, Commerce had not published the *Case History* for these reviews.³⁸

According to the most recently published *Federal Register* notice concerning stainless steel butt-weld pipe fittings from Japan, the scope of the subject merchandise is as follows:

*. . . certain stainless steel butt-weld pipe and tube fittings, or SPFs. These fittings are used in piping systems for chemical plants, pharmaceutical plants, food processing facilities, waste treatment facilities, semiconductor equipment applications, nuclear power plants and other areas.*³⁹

According to the most recently published *Federal Register* notices concerning stainless steel butt-weld pipe fittings from Korea and Taiwan, the scope of the subject merchandise is as follows:

*. . . certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter. Certain welded stainless steel butt-weld pipe fittings (“pipe fittings”) are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise is used where one or more of the following conditions is a factor in designing the piping system: (1) Corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; and (5) high pressures are contained within the system. Pipe fittings come in a variety of shapes, with the following five shapes the most basic: “elbows,” “tees,” “reducers,” “stub ends,” and “caps.” The edges of finished pipe fittings are beveled. Threaded, grooved, and bolted fittings are excluded . . .*⁴⁰

³⁸ See <http://ia.ita.doc.gov/sunset/>.

³⁹ 67 FR 39676 (June 10, 2002). Commerce’s scope language for the antidumping duty order concerning Japan listed in this most recent *Federal Register* notice agrees with the language published in its original antidumping duty order (53 FR 9787, March 25, 1988) and the continuation of the antidumping duty order (65 FR 11766, March 6, 2000) in that such language does not specifically limit the subject product to only those fittings under 14 inches in inside diameter. However, Commerce’s scope of investigation in its final LTFV determination for Japan reads as follows: “[stainless steel butt-weld pipe and tube fittings], whether finished or unfinished, including as-formed tubular blanks (blanks), under 14 inches in inside diameter. . .” 53 FR 3227, February 4, 1988.

⁴⁰ 69 FR 40859, July 7, 2004, and 70 FR 10982, March 7, 2005.

With respect to the orders on subject imports from Japan and Taiwan, Commerce has made several scope rulings.

The following products were determined to be within the scope of the orders:

- (1) superclean or ultraclean pipe fittings from Japan;⁴¹
- (2) A774 type stainless steel pipe fittings from Taiwan;⁴² and
- (3) cast butt-weld pipe fittings from Taiwan.⁴³

The following products were determined to be outside the scope of the orders:

- (1) certain gasket raised face seal sleeves and certain stainless steel “fine-fit” tube fittings imported from Japan;⁴⁴
- (2) stainless steel tube fittings with non-welded end connection, and other products from Taiwan;⁴⁵
- (3) primet joint metal seal fittings and primet joint weld fittings from Japan;⁴⁶
- (4) sleeves of clean vacuum couplings and super-clean microfittings from Japan;⁴⁷ and
- (5) superclean fittings from Japan.⁴⁸

⁴¹ Superclean or ultraclean pipe fittings manufactured by Benkan (56 FR 1801, January 17, 1991).

⁴² A774 type stainless steel pipe fittings manufactured by Tachia Yung Ho (58 FR 28556, May 14, 1993).

⁴³ Cast butt-weld pipe fittings manufactured by Eckstrom Industries (*Eckstrom Ind. v. United States*, Court No. 97–10–01913, Slip. Op. 99–99 (Ct. Int’l Trade Sept. 20, 1999)).

⁴⁴ Certain gasket raised face seal sleeves and certain stainless steel “fine-fit” tube fittings manufactured by Fujikin of America, Inc. (60 FR 54213, October 20, 1995).

⁴⁵ Stainless steel tube fittings with non-welded end connection, and other products manufactured by Top Line Process Equipment Corp. (60 FR 54213, October 20, 1995).

⁴⁶ Primet joint metal seal fittings and primet joint weld fittings manufactured by Daido (61 FR 5533, February 13, 1996).

⁴⁷ Sleeves of clean vacuum couplings and super-clean microfittings manufactured by Benkan (61 FR 5533, February 13, 1996).

⁴⁸ Superclean fittings manufactured by Benkan UCT Corporation (61 FR 40194, August 1, 1996).

U.S. Tariff Treatment

Table I-7 presents current tariff rates for stainless steel butt-weld pipe fittings. The subject merchandise is currently classifiable under the Harmonized Tariff Schedule for the United States (“HTS”) subheading 7307.23.00.⁴⁹ This subheading provides for stainless steel butt-weld pipe fittings regardless of diameter.

Table I-7
Stainless steel butt-weld pipe fittings: Tariff rates, 2005

HTS subheading ¹	Article description ²	General ³	Special ⁴	Column 2 ⁵
		Rates (<i>percent ad valorem</i>)		
7307.23.00 ⁶	Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel: Other, of stainless steel: Butt welding fittings	5.0	Free ⁷	45.0
<p>¹ While HTS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.</p> <p>² An abridged description is provided for convenience; however, an unabridged description may be obtained from the respective headings, subheadings, and legal notes of the HTS.</p> <p>³ Normal trade relations rates, formerly known as the most-favored-nation duty rate, applicable to imports from Japan, Korea, and Taiwan.</p> <p>⁴ For eligible goods under the Generalized System of Preferences, Australia Free Trade Agreement, Caribbean Basin Economic Recovery Act, Andean Trade Preference Act, Israel Free Trade Agreement, Jordan Free Trade Agreement, Chile Free Trade Agreement, Singapore Free Trade Agreement, and NAFTA-originating goods of Canada and Mexico.</p> <p>⁵ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.</p> <p>⁶ This HTS subheading provides for stainless steel butt-weld pipe fittings regardless of diameter.</p> <p>⁷ Imports from Singapore are subject to a tariff rate of 2.5 percent <i>ad valorem</i>.</p> <p>Source: Harmonized Tariff Schedule of the United States (2005).</p>				

In addition to the general column-1 duty rates, imports of stainless steel butt-weld pipe fittings from Japan are currently subject to antidumping duties ranging from 8.06 to 65.08 percent *ad valorem* (based on Commerce’s administrative review for the most recent period). Imports of stainless steel butt-weld pipe fittings from Korea are currently subject to antidumping duties of 0.81 to 21.20 percent *ad valorem*. Imports of stainless steel butt-weld pipe fittings from Taiwan are currently subject to antidumping duties ranging from 6.10 to 76.20 percent *ad valorem*.

⁴⁹ While HTS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Domestic Like Product and Domestic Industry

In each of the original investigations, the Commission defined the domestic like product as stainless steel butt-weld pipe fittings corresponding with Commerce's scope of the subject merchandise.⁵⁰ In the first five-year reviews, the Commission found the appropriate definition of the domestic like product to be stainless steel butt-weld pipe fittings, co-extensive with the Commission's original like product determinations and Commerce's scope.⁵¹ In the original investigations and the first five-year reviews, the Commission defined the domestic industry to include all domestic producers of stainless steel butt-weld pipe fittings.⁵² In these second five-year reviews, the responding U.S. producers agree with these definitions of the domestic like product and the domestic industry.⁵³

Description and Uses

Butt-weld fittings are used to connect pipe sections where conditions require permanent, welded connections. The beveled edges of butt-weld fittings distinguish them from other types of pipe fittings, such as threaded, grooved, or bolted fittings, which rely on different fastening methods. When placed against the end of a beveled pipe or another fitting, the beveled edges form a shallow channel that accommodates the "bead" of the weld that fastens the two adjoining pieces.⁵⁴

Butt-weld fittings are produced from various materials: stainless steel, carbon steel, alloy steel, nickel, and aluminum. Only those butt-weld fittings produced from stainless steel and which are under 14 inches in inside diameter are covered by these reviews. For tariff purposes, the term "stainless steel" includes by definition all grades of steel containing by weight 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Fittings of stainless steel provide resistance to corrosion or oxidation and to extreme temperature as well as the ability to withstand pressure. The predominant grades of stainless steel butt-weld fittings sold in the United States are grades

⁵⁰ *Certain Stainless Steel Butt-Weld Pipe Fittings From Japan: Inv. No. 731-TA-376 (Final)*, USITC Publication 2067, March 1988, p. 7; *Certain Stainless Steel Butt-Weld Pipe Fittings From Korea: Inv. No. 731-TA-563 (Final)*, USITC Publication 2601, February 1993, pp. 3-4; and *Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan: Inv. No. 731-TA-564 (Final)*, USITC Publication 2641, June 1993, pp. 3-4.

⁵¹ *Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan: Invs. Nos. 731-TA 376, 563, and 564 (Review)*, USITC Publication 3280, February 2000, p. 5.

⁵² *Ibid.*

⁵³ *Response of U.S. Producers*, March 23, 2005, p. 19.

⁵⁴ *Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan: Invs. Nos. 731-TA 376, 563, and 564 (Review)*, USITC Publication 3280, February 2000, pp. I-7-8.

304, 304L, 316, and 316L.⁵⁵ Domestic producers have taken the position that “all grades of austenitic stainless steel butt-weld pipe fittings are, or can be produced in the United States.”⁵⁶

Butt-weld fittings come in several basic shapes, such as elbows, tees, crosses, reducers, caps, and stub-ends. Elbows are two-outlet fittings that usually have either a 45-degree or a 90-degree bend in the pipe, tees are T-shaped fittings having three outlets, crosses have four outlets, and reducers are two-outlet fittings that connect pipes of two different diameters. Caps seal the end of a pipe or a fitting. Stub-ends are welded to the pipe but are used with a collar-type piece, known as a “flange,” which has bolt holes. The stub-end and flange combination permits quick connection with other pipes having a stub-end and flange when periodic changes of pipes are required or where on-site welding would be difficult. Each of these basic product categories includes a wide range of fittings which vary by size, alloy type, wall thickness, and intended application. In general, stainless steel butt-weld fittings are utilized by a variety of industries in “process” operations (piping systems) to join pipes in straight lines and to change the direction or flow of fluids.

Production Process

The domestic manufacturing sector for the subject butt-weld fittings includes integrated producers and combination producers. Integrated producers begin with welded or seamless stainless steel pipe as their raw material and perform forming, machining, and finishing operations. Combination producers produce some fittings in an integrated process and other fittings in a conversion process (performing only machining and finishing operations).⁵⁷ End users generally require that subject fittings meet specifications set by American Society of Testing and Materials (“ASTM”), American National Standards Institute (“ANSI”), Manufacturers Standardization Society (“MSS”), and/or the American Society of Mechanical Engineers (“ASME”) Boilers and Pressure Vessel Code. These specifications include required manufacturing processes (such as annealing)⁵⁸ as well as sizing to tolerance and performance standards.

⁵⁵ Under the American Iron and Steel Institute (AISI) system, stainless steel alloy grades are designated in three-digit numeric series, based on contents of chromium, nickel, and certain other elements. One- or two-letter suffixes indicate variations in the content of certain alloying elements (e.g., “L” for low carbon, or the chemical symbol for the presence of a particular element). The 300 Series classification includes both austenitic and austenitic-ferritic (duplex) stainless steels of varying chromium-nickel grades with other alloying elements, particularly nitrogen and molybdenum. The austenitic stainless steels contain lower chromium (16.0-26.0 percent) and higher nickel (5.0-34.0 percent) contents than do duplex stainless steels with higher chromium (23.0-28.0 percent) and lower nickel (2.5-5.0 percent) contents. Information about the various stainless steel alloy classifications are compiled from Iron and Steel Society, *Steel Products Manual, Stainless Steels*, Warrendale, PA, March 1999, “Overview of Stainless Steels,” pp. 1-2; table 2-1 “Stainless Steels, Cast or Heat Chemical Ranges and Limits,” pp. 17-22; and appendix I “Typical Applications of Selected Stainless Steels,” pp. 251-255; and from ASM International, *ASM Specialty Handbook, Stainless Steels*, Materials Park, OH, 1994, pp. 5-12 and pp. 13-38.

⁵⁶ *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany: Inv. No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. I-4 (citing Petition at p. 9).

⁵⁷ *Stainless Steel Butt-weld Pipe Fittings from Japan, Korea, and Taiwan: Invs. Nos. 731-TA-376, 563, and 564 (Review)*, USITC Publication 3280, February 2000, p. I-7. For a more detailed description of the production process, see *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany: Inv. No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, pp. I-6-7.

⁵⁸ Annealing is a heat treatment to relieve the strain imparted to the steel during the forming process.

Interchangeability

According to industry officials in the 1992-93 investigations, little difference existed between the production techniques and machinery used by domestic and foreign producers due to the global diffusion of technology and forming methods. Further, almost all of the distributors of fittings that responded to Commission questionnaires in the 1987-88 investigation saw no significant differences, particularly in terms of physical and application characteristics, between domestically produced and subject Japanese fittings. Defect rates were low. In the 1992-93 investigations, most purchasers reported that domestic fittings and fittings imported from Korea and Taiwan were interchangeable. However, some U.S. producers indicated that the subject imports were lower in quality than domestically produced subject fittings. Further, approved manufacturers lists, which identify those suppliers whose stainless steel butt-weld pipe fittings have been certified as meeting required end-use standards on the basis of a stringent series of tests, are used for certain applications, such as those in the petrochemical and nuclear industries.⁵⁹

Some AMLs are closely held, while others are freely available. According to the AMLs for Union Carbide (December 1999), Liberty Electric (March 2000), Shell (undated), and ExxonMobil (July 2005), stainless steel butt-weld pipe fittings produced by Benex (formerly Nippon Benkan) are acceptable to all four purchasers. No other manufacturer from a subject country is listed.⁶⁰

Channels of Distribution

The vast majority of stainless steel butt-weld pipe fittings are sold through distributors. On occasion, U.S. producers sell directly to end users, usually by special order. Most of the responding U.S. producers in the original investigations issued standardized industry price lists, but provided discounts based on either the size of the sale or competing discount offers. Importers did not publish price lists, but instead negotiated on a sale-by-sale basis. Transportation costs are relatively small.⁶¹

⁵⁹ During the 1992-93 investigations, petitioners estimated the extremely quality-conscious segment of the industry that only purchased from approved manufacturers accounted for *** percent of the market. Many end users in the petrochemical and nuclear industries used Exxon's approved manufacturer list. No manufacturers from either Korea or Taiwan were included in the September 15, 1992 version of Exxon's list.

In its views for the investigation on Korea, the Commission stated that "we have considered the existence of an approved market wherein U.S. producers appear to face relatively less competition from subject imports, since subject imports are not on any approved manufacturers lists. We note, however, that the nonapproved market, where the subject imports and the domestic producers compete head-to-head, is still significant to the U.S. industry and constitutes the largest segment of the domestic market." *Certain Stainless Steel Butt-Weld Pipe Fittings From Korea: Inv. No. 731-TA-563 (Final)*, USITC Publication 2601, February 1993, p. 8. The issue was also considered in the original investigation for Taiwan. *Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan: Inv. No. 731-TA-564 (Final)*, USITC Publication 2641, June 1993, pp. 4-5.

⁶⁰ Public version of petitioners' posthearing brief, *Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines: Invs. Nos. 731-TA-864-867 (Final)*, exhibit 2; ExxonMobil, *Piping AML*, July 2005, pp. 2-3.

⁶¹ See *Certain Stainless Steel Butt-Weld Pipe Fittings From Japan: Inv. No. 731-TA-376 (Final)*, USITC Publication 2067, March 1988, p. A-32. See also *Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan: Invs. Nos. 731-TA-376, 563, 564 (Review)*, Publication 3280, February 2000, p. I-8.

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

During the 1988 investigation for Japan, 11 firms produced the bulk of commodity and specialty stainless steel butt-weld pipe fittings under 14 inches in inside diameter in the United States.⁶² A substantial quantity of the stainless steel butt-weld pipe fittings produced and sold in the United States in 1988 was made from unfinished fittings purchased from foreign or other domestic sources. Indeed, five of the responding U.S. producers were direct importers of unfinished fittings from Japan. Integrated U.S. producers included American Fittings, Bestweld, Custom Alloy, Davis, Flowline, and Ladish.⁶³ Combination producers, which manufactured finished fittings from both stainless steel pipe and from purchased unfinished fittings, consisted of Alloy Piping, Flo-Mac, Franke, Gerlin,⁶⁴ and Taylor Forge.^{65 66}

At the time of the 1992-93 investigations for Korea and Taiwan, Davis was no longer producing,⁶⁷ and, as indicated, Franke had been sold to Gerlin. However, two new firms had entered the market, namely, Flo-Bend and Jero. With the exception of Gerlin and Taylor Forge, all U.S. manufacturing operations were integrated during the period examined in the original investigations. However, ***. In addition, ***.^{68 69}

⁶² According to petitioner in the 1992-93 investigations, commodity fittings are those requested frequently enough to be kept in inventory rather than being produced to order. Specialty fittings include those fittings with greater wall thickness, those of larger diameter, and those made of specialty alloys. *Staff Report of May 19, 1993*, p. I-7

⁶³ ***.

⁶⁴ Until September 1987, Gerlin only converted fittings from unfinished fittings produced overseas. In October 1987, Gerlin purchased Franke, which provided the firm with the ability to form stainless steel pipe or plate into finished product.

⁶⁵ *Staff Report of March 1, 1988*, pp. A-8 through A-9 and A-12.

⁶⁶ The Commission did not address the issue of related parties in its views for the investigation concerning Japan. See *Certain Stainless Steel Butt-weld Pipe Fittings From Japan*.

⁶⁷ Davis abandoned the production of stainless steel butt-weld pipe fittings in early 1992 to concentrate on its stainless steel pipe business. The firm indicated to the Commission in June 1992 that ***. *Staff Report of January 21, 2000*, memorandum INV-X-015, p. I-10, fn. 30.

⁶⁸ ***. *Staff Report of May 19, 1993*, pp. 1-16 through 1-21.

⁶⁹ The Commission found three domestic producers to be related parties, but included them in the domestic industry, reasoning that "(p)urchases of imports by these related parties represent a small percentage of their total shipments and these parties do not appear to be shielded in any way from the effects of subject imports on the industry as a whole. For all three producers, domestic production always exceeded 67 percent of total production throughout the period of investigation, and financial performance followed the same general trend as that of the rest of the industry." *Certain Stainless Steel Butt-Weld Pipe Fittings From Korea*, pp. 6-7.

Four firms responded to the Commission's notice of institution in the first five-year reviews (Alloy Piping, Flowline, Gerlin, and Taylor Forge). These four firms accounted for *** percent of shipments of the domestic like product by U.S. producers in 1986, *** percent of 1991 U.S. production, and an estimated *** percent of U.S. production in 1998.⁷⁰ Additional producers in 1998 included American Fittings, Bestweld, Flo-Mac, Jero, and Tube Tec,⁷¹ as well as Alaskan Copper, Felker Brothers, and Jensen Fittings.⁷²

At present there are believed to be 11 companies producing stainless steel butt-weld pipe fittings in the United States: the four firms that responded to the Commission's notice of institution (Shaw APP (formerly Alloy Piping), Flowline, Gerlin, and Taylor Forge); six additional firms identified as producers (Alaskan Copper, American Fittings, Bestweld, Felker Brothers, Flo-Mac, and Jero); and Swagelok. Since the first reviews, American Fittings has acquired Tubetec and Swagelok has acquired Jensen Fittings.⁷³ Shaw APP, Flowline, Gerlin, and Taylor Forge reportedly account for an estimated *** percent of U.S. production of the domestic like product. None of the four responding producers are related to any producer or exporter of the subject product in Japan, Korea, or Taiwan, nor are any of the four importers of the subject merchandise.⁷⁴

⁷⁰ *Staff Report of January 21, 2000*, pp. I-10-11. See also *Response of U.S. Producers, August 19, 1999*, p. 19. The data presented for the domestic industry during the initial five-year review (and this second five-year review) are understated to the extent that they do not include data from non-responding producers.

⁷¹ *Ibid.*

⁷² Alaskan Copper, Felker Brothers, and Jensen Fittings were not identified in the first five-year review, but were identified as U.S. producers in a subsequent investigation. See *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Investigation No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, Table III-1.

⁷³ *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany: Investigation No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, Table III-1; "Travelers Rest fittings company expands" at GreenvilleOnline.com, posted November 22, 2002 at <http://greenvilleonline.com/news/business/2002/11/22/2002112232070.htm>, retrieved on May 26, 2005 (American Fittings acquires Tubetec); and "Swagelok Corporate Fact Sheet" at <http://www.swagelok.com/about/factsheet.asp>, retrieved on May 26, 2005 (Swagelok acquires Jensen Fittings).

⁷⁴ *Response of U.S. Producers, March 25, 2005*, pp. 2-3, 13-15.

U.S. Producers' Trade, Employment, and Financial Data

Data reported by U.S. producers of stainless steel butt-weld pipe fittings in the Commission's original 1987-88 investigation are presented in table I-8. As indicated in a note to table I-8, trends for industry indicators for the period covered by the Commission's first investigation are somewhat distorted due to the absence of data for one producer in 1984.

Following the Commission's affirmative determination, Commerce issued an antidumping duty order for stainless steel butt-weld pipe fittings from Japan in March 1988. Industry data are not available for the period immediately following the issuance of the order. However, data on subject fittings were gathered for 1989, the first year examined in the succeeding Korea and Taiwan investigations. In 1989, production of stainless steel butt-weld pipe fittings had increased by *** percent from that reported in 1986 (table I-8).⁷⁵

Data for the 1989-91 period considered by the Commission during its stainless steel butt-weld pipe fittings investigations for Korea and Taiwan are also listed in table I-8. As shown, U.S. production and domestic shipments decreased overall by *** percent and *** percent, respectively, from 1989 to 1991. For responding U.S. producers, domestic shipments increased *** in 1999 from the levels reported in 1997 and 1998. By 2004, however, production was *** percent lower than in 1998 while domestic shipments were *** percent lower.

⁷⁵ The much higher capacity utilization ratio reported in 1989 (compared to that for 1986) was due to the higher production levels as well as to the contraction in the production capacity of the U.S. industry. This contraction is presumably due, at least in part, to the withdrawal of Davis from the industry. In 1986, Davis accounted for *** percent of domestic shipments of the subject product. *Staff Report of March 1, 1988*, p. A-9. New entrants Flo-Bend and Jero either did not respond or provided unusable data to the Commission's questionnaires in the 1992-93 investigations. *Staff Report of May 19, 1993*, p. I-16. Consequently, their production capacity, which was believed to be small, is not included in the figures in table I-1.

Table I-8
Stainless steel butt-weld pipe fittings: U.S. producers' capacity, production, domestic shipments, and financial data, 1984-86, 1989-91, 1997-98, and 2004

Quantity=1,000 pounds, value=\$1,000, unit value=per pound; financial data in \$1,000, except as noted														
Item	1984	1985	1986	1989	1990	1991	1997	1998	1999	2000	2001	2002	2003	2004 ¹
Production (quantity)	3,090	3,989	3,995	4,559	4,159	4,324	***	***	***	***	***	***	***	***
Capacity (quantity)	6345	8321	8736	6,037	6,216	6,331	***	***	***	***	***	***	***	***
Cap. utilization (%)	48.7	47.9	45.7	75.5	66.9	68.3	***	***	***	***	***	***	***	***
Domestic shipments: ²														
Quantity	2,990	4,029	3,938	***	***	***	***	***	***	***	***	***	***	***
Value	20,591	26,854	25,843	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$6.89	\$6.67	\$6.56	***	***	***	***	***	***	***	***	***	***	***
Net sales	(³)	***	***	36,526	33,951	29,573	***	***	***	***	***	***	***	***
Operating income	(³)	***	***	4,803	4,399	3,399	***	***	***	***	***	***	***	***
Net income	(³)	***	***	4,278	3,138	1,742	***	***	***	***	***	***	***	***
Operating income/ net sales (percent)	(³)	***	***	13.2	13.0	11.5	***	***	***	***	***	***	***	***
Net income/ net sales (percent)	(³)	***	***	11.7	9.2	5.9	***	***	***	***	***	***	***	***

¹ Data for 2004 are from the *Response of U.S. Producers, March 23, 2005*, exhibit 1, and include the data of four U.S. producers: Flowline, Gerlin, Shaw Alloy Piping Products, and Taylor Forge.

² With the exception of *** pounds of unfinished fittings reported in 1986, shipments are of finished fittings (including those produced from imported ***).

³ Not presented since 2 firms (Gerlin and Taylor Forge) that provided data for 1985-86 did not respond for 1984.

⁴ Not available.

Coverage for trade data.—Except for one firm that could not provide data for 1984, trade data for 1984-86 and 1989-91 cover those producers manufacturing the bulk of U.S. production of subject fittings. (The producer whose data were not available for 1984 accounted for *** percent of aggregate U.S. shipments in 1986.) Firms providing trade data for 1997-98 were reported at the time to account for approximately *** percent of total U.S. production of stainless steel butt-weld pipe fittings in 1998. *Response of U.S. Producers, August 19, 1999*. Data for 1999-2004 based on exhibit 1 of the *Response of U.S. Producers, March 23, 2005*. Since the earlier data only represented the "bulk" of U.S. production, data presented in this table have not been adjusted upward to account for non-responding U.S. producers. As noted by the responding U.S. producers, reported U.S. shipment quantity in 1999 represented only *** percent of U.S. shipments by the domestic industry based on data compiled in the Commission's investigations on stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia, and the Philippines. Similar coverage calculations indicate that the responding U.S. producers accounted for only *** and *** percent of the domestic industry's U.S. shipments in 1997 and 1998, respectively. Data from the Commission's 1999-2000 investigations are reproduced in appendix C of this report.

Coverage for financial data.—Firms providing financial data for 1985-86 were ***. Financial data for 1989-91 and for 1997-98 represent the operations of ***. Data for the 1985-86, 1989-91, and 1997-98 periods are believed to be generally comparable.

Source: *Staff Report of March 1, 1998*, pp. A-16, A-17, and A-25 for 1984-86 data; *Staff Report of May 19, 1993*, pp. I-23, I-24, and I-33 for 1989-91 data; and *Staff Report of January 21, 2000* (citing *Response of U.S. Producers, August 19, 1999*, exhibit 1), for 1997-98 data; and *Response of U.S. Producers, March 23, 2005*, exhibit 1, for 1999-2004 data.

U.S. IMPORTS AND CONSUMPTION

U.S. Imports

Table I-9 presents information on U.S. imports of stainless steel butt-weld pipe fittings for the periods 1984-86, 1989-91, and 1997-2004. Figure I-1 presents the same information during 1997-2004.

During the 1987-88 investigation, the Commission identified 17 firms that imported the subject merchandise from Japan (in the first half of 1987). In 1986, U.S. producers accounted for *** percent of the imports from Japan. Most of their imports were unfinished fittings (including tubular blanks)⁷⁶ that were later converted into finished product. Importing firms that were not manufacturers imported mostly finished fittings from Japan.⁷⁷ During the 1992-93 investigations, approximately 40 firms were believed to have imported stainless steel butt-weld pipe fittings from Korea and Taiwan. However, only *** firms imported significant quantities of the subject fittings from Korea. There were several large importers of subject Taiwan product.⁷⁸ In the *Response of U.S. producers, August 19, 1999*, the domestic interested parties identified 17 firms that had recently imported subject fittings from Japan, Korea, or Taiwan. In the current reviews, domestic interested parties have identified 30 U.S. importers of the subject merchandise.⁷⁹

As shown in table I-9 and figure I-1, U.S. imports of stainless steel butt-weld pipe fittings from Japan increased markedly from 1984 to 1985, then declined somewhat in 1986. Overall, subject imports more than tripled from 1984-86. Following the filing of the petition (April 1987), imports from Japan declined. Since the imposition of Commerce's final antidumping order, total imports from Japan have consistently been below one million pounds, the approximate amount imported in 1984, prior to the 1985 rise in imports.⁸⁰ Since 2002, such imports have fallen below 100,000 pounds annually.

With respect to the 1992-93 investigations, imports of stainless steel butt-weld pipe fittings from Korea more than tripled from 1989 to 1991; imports of the subject product from Taiwan rose by 44 percent (table I-9).⁸¹ The Korean and Taiwan orders were imposed in February 1993 and June 1993, respectively. Until 2000, relatively few subject fittings were imported from Korea.⁸² Post-order imports

⁷⁶ Tubular blanks were defined by Gerlin as products made from pipe, plate, or forgings that have been formed to a basic shape, heat treated, and sized, but which require additional transformation to adapt them to use as a finished fitting.

⁷⁷ *Staff Report of March 1, 1988*, p. A-10.

⁷⁸ *Staff Report of May 19, 1993*, pp. I-20 through I-22.

⁷⁹ *Response of U.S. Producers*, March 23, 2005, exh. 4.

⁸⁰ As indicated in the notes to table I-9, reported imports from Japan include those of Fuji. In its final LTFV determination, Commerce found Fuji's margins to be *de minimis* and it was excluded from the order.

⁸¹ The domestic interested parties argued that the rate of increase for Taiwan's imports seen in the early 1990s would have continued absent the imposition of the antidumping order. *Response of U.S. Producers, August 19, 1999*, pp. 9-10.

⁸² The domestic interested parties stated that "[t]his pattern of dramatic, long-term decline demonstrates that Korean producers are not able to sell stainless steel butt-weld pipe fittings in commercial volumes in the United States under the discipline of the current antidumping finding. *Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan: Invs. Nos. 731-TA-376, 563, 564 (Review)*, Publication 3280, February 2000, p. I-13, fn. 53. See also *Response of U.S. Producers, August 19, 1999*, p. 7.

Table I-9
Stainless steel butt-weld pipe fittings:¹ U.S. imports, 1984-86, 1989-91, 1997-2004

Item	1984	1985	1986	1989	1990	1991	1997	1998	1999	2000	2001	2002	2003	2004
Quantity (1,000 pounds)														
Japan ²	1,154	4,259	3,990	(³)	(³)	(³)	452	352	411	426	144	24	18	2
Korea	(³)	(³)	(³)	170	100	524	186	96	66	694	592	1,503	1,071	1,972
Taiwan	(³)	(³)	(³)	1,527	1,139	2,195	1,949	705	789	1,377	859	1,336	812	1,134
Subtotal	(³)	2,588	1,153	1,265	2,497	1,594	2,863	1,902	3,108					
Other sources ⁴	1,236	1,776	2,109	5,367	3,708	3,765	7,837	7,134	8,809	11,040	5,667	6,638	7,122	8,209
Total	2,390	6,035	6,099	7,065	4,946	6,483	10,425	8,288	10,074	13,536	7,261	9,502	9,024	11,318
Landed duty-paid value (\$1,000)														
Japan ²	4,030	10,440	11,604	(³)	(³)	(³)	4,694	2,189	2,319	2,937	741	168	122	398
Korea	(³)	(³)	(³)	869	407	1,519	769	364	208	2,208	1,573	3,734	2,817	6,253
Taiwan	(³)	(³)	(³)	7,034	5,414	10,598	7,500	2,251	3,195	5,239	3,124	4,979	2,788	4,270
Subtotal	(³)	12,962	4,804	5,722	10,384	5,437	8,880	5,727	10,921					
Other sources ⁴	3,689	5,648	6,003	20,375	18,916	17,736	35,899	28,934	43,980	59,703	34,671	35,637	36,205	41,764
Total	7,719	16,088	17,607	28,279	24,736	29,854	48,861	33,738	49,702	70,087	40,108	44,518	41,932	52,685
Landed duty-paid unit value (per pound)														
Japan ²	\$3.49	\$2.45	\$2.91	(³)	(³)	(³)	\$10.38	\$6.21	\$5.65	\$6.90	\$5.16	\$6.86	\$6.63	\$166.09
Korea	(³)	(³)	(³)	5.11	4.08	2.90	\$4.12	\$3.79	\$3.16	\$3.18	\$2.66	\$2.48	\$2.63	\$3.17
Taiwan	(³)	(³)	(³)	4.60	4.75	4.83	\$3.85	\$3.19	\$4.05	\$3.80	\$3.63	\$3.73	\$3.43	\$3.77
Average	(³)	\$5.01	\$4.17	\$4.52	\$4.16	\$3.41	\$3.10	\$3.01	\$3.51					
Other sources ⁴	2.98	3.18	2.85	3.80	5.10	4.71	\$4.58	\$4.06	\$4.99	\$5.41	\$6.12	\$5.37	\$5.08	\$5.09
Average	3.23	2.67	2.89	4.00	5.00	4.60	\$4.69	\$4.07	\$4.93	\$5.18	\$5.52	\$4.69	\$4.65	\$4.66

¹ HTS subheading 7307.23.00.

² Data for Japan include data for Fuji, whose margins Commerce found to be *de minimis* in its final LTFV determination. Fuji accounted for *** percent of total exports to the United States from Japan in 1984, *** percent in 1985, and *** percent in 1986.

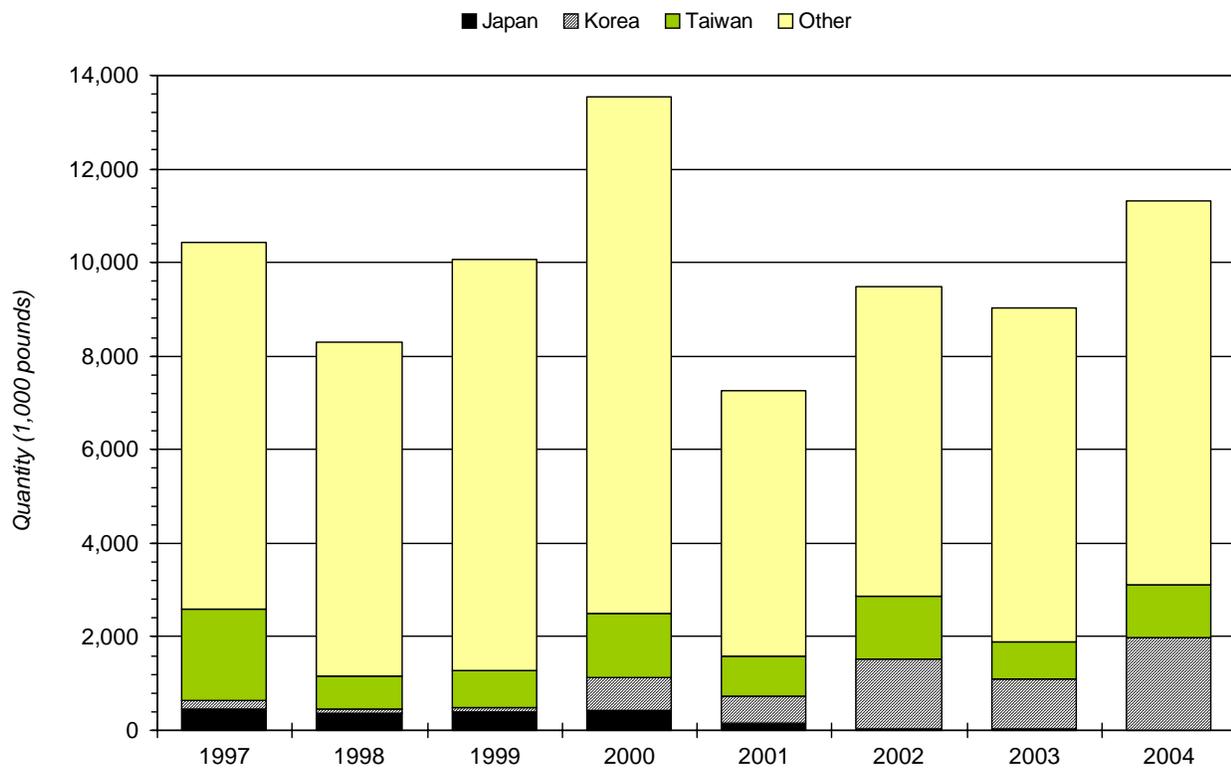
³ Data not presented in the staff report for the original investigations.

⁴ Japan was the largest source of imports during 1984-86. The primary nonsubject source during 1989-91 was Canada, followed by Thailand and Germany. Today there are a number of nonsubject countries exporting stainless steel butt-weld pipe fittings to the United States; Canada and China are the largest sources.

Note.--Data presented for the period 1984-86 are based on the Staff Report of March 1, 1998; data for the period 1989-91 are based on the Staff Report of May 19, 1993; data for the period 1997-98 are based on memorandum INV-X-015, Staff Report of January 21, 2000; and data for 1999-2004 are based on official statistics of Commerce.

Source: Compiled from data presented in the staff reports in the original investigations and the first five-year review, and official statistics of Commerce.

Figure I-1
Stainless steel butt-weld pipe fittings: U.S. imports, by sources, 1997-2004



Source: Table I-9.

of stainless steel butt-weld pipe fittings from Taiwan have lower than the amount imported in 1991, but have surpassed 1 million pounds in several years. In 2004, subject imports (based on quantity) from Japan accounted for 0.02 percent of total U.S. imports; subject imports from Korea accounted for 17.4 percent of total U.S. imports; subject imports from Taiwan accounted for 10.0 percent of total imports; imports from all other sources accounted for 72.5 percent of total imports.⁸³

Apparent U.S. Consumption and Market Shares

The demand for stainless steel butt-weld pipe fittings is dependent on use of the product in such facilities as chemical plants, pharmaceutical plants, food processing plants, gas processing facilities, and commercial nuclear power plants.⁸⁴ Table I-10 presents information on apparent U.S. consumption and market shares for the periods 1984-86, 1989-91, 1997-98, and 2004. As shown in table I-10, apparent U.S. consumption of finished stainless steel butt-weld pipe fittings has increased since the time of the original Japan investigation, more than *** from 1984 to 2004. Apparent U.S. consumption increased by *** percent from 1986 to 1991; increased by *** percent from 1991 to 1998; and increased by *** percent from 1998 to 2004. Responding U.S. producers have characterized domestic consumption for stainless steel butt-weld pipe fittings as “generally depressed” during the period 1999-2004,⁸⁵ and, since 2001 as “severely depressed.”⁸⁶

In the first reviews, domestic interested parties observed that during the 1990s stainless steel butt-weld pipe fittings from new sources appeared in the U.S. market, with imports from producers of stainless steel butt-weld pipe fittings in, among countries, the Philippines (which did not even have an industry at the time of the Korea/Taiwan investigations), Malaysia (which did not export to the United States at the time of the Korea/Taiwan investigations), and Thailand (which did not export to the United States until after the Japanese investigation).⁸⁷ As noted previously in the section entitled *Previous Investigations on Stainless Steel Butt-Weld Pipe Fittings*, antidumping duty orders were issued on February 23, 2001, with respect to imports of stainless steel butt-weld pipe fittings from Italy, Malaysia, and the Philippines.⁸⁸ Import quantities from these three sources declined from 3.6 million pounds in 1999 to 1.2 million pounds in 2004.⁸⁹

⁸³ Canada and China were the largest sources for U.S. imports of stainless steel butt-weld pipe fittings in 2004.

⁸⁴ *Staff Report of March 1, 1988*, p. A-13.

⁸⁵ *Response of U.S. Producers, March 23, 2005*, p. 16.

⁸⁶ *Response of U.S. Producers, March 23, 2005*, p. 18.

⁸⁷ *Staff Report of January 21, 2000*, pp. 22 and 24. See also *Response of U.S. Producers, August 19, 1999*, p. 12.

⁸⁸ 66 FR 11257. The antidumping duty margins are: 26.59 percent *ad valorem* for subject imports from Italy; 7.51 percent *ad valorem* for subject imports from Malaysia; and 33.81 percent *ad valorem* for subject imports from the Philippines.

⁸⁹ U.S. imports for consumption compiled from official statistics of Commerce.

Table I-10
Stainless steel butt-weld pipe fittings: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, 1984-86, 1989-91, 1997-98, and 2004

Item	1984	1985	1986	1989	1990	1991	1997	1998	2004 ¹	Alt. 2004 ²
Quantity (1,000 pounds)										
U.S. producer's domestic shipments ³	***	***	***	***	***	***	***	***	***	***
U.S. imports: ⁴										
Japan (subject) ⁵	609	2,996	2,391	(⁶)	(⁶)	(⁶)	452	352	2	2
Korea	(⁶)	(⁶)	(⁶)	170	100	509	186	96	1,972	1,972
Taiwan	(⁶)	(⁶)	(⁶)	1,527	1,135	2,075	1,949	705	1,134	1,134
Subtotal, subject imports	(⁶)	(⁶)	(⁶)	1,698	1,235	2,583	2,587	1,153	3,108	3,108
All other sources	1,428	1,979	2,188	4,774	3,445	3,607	7,837	7,135	8,209	8,209
Total imports	2,037	4,975	4,579	6,472	4,679	6,190	10,424	8,288	11,318	11,318
Apparent U.S. consumption ⁷	***	***	***	***	***	***	***	***	***	***
Share of apparent U.S. consumption based on quantity (percent)										
U.S. producer's domestic shipments	***	***	***	***	***	***	***	***	***	***
U.S. imports: ⁸										
Japan (subject)	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***	***
Subtotal, subject imports	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***

¹ Data presented for period based on reported U.S. producers' domestic shipments of Flowline, Gerlin, Shaw APP, and Taylor Forge.

² Alternate 2004 data presented based on estimated U.S. producers' domestic shipments for all U.S. producers, as presented in exhibit 1 of *Response of U.S. producers, March 23, 2005*.

³ Figure includes a small amount of unfinished product.

⁴ Import data are based on HTS subheading 7307.23.00.

⁵ Import data for Japan for 1984-86 exclude exports to the United States by Fuji, whose antidumping duty margin was found by Commerce to be *de minimis*.

⁶ Data not presented in staff reports for the original investigations.

⁷ In order to avoid double-counting, apparent consumption was computed for 1984-86 and for 1989-91 by adding total imports of fittings (as reported in official Commerce statistics) to U.S. producers' domestic shipments of finished fittings (whether produced by integrated processes or converted from unfinished fittings) less their imports of unfinished fittings.

⁸ Calculated as the ratio to apparent consumption of total imports (as reported in official Commerce statistics) less U.S. producers' imports of unfinished fittings, except for 1997-98. Separate import data for unfinished and finished fittings are not available for 1997, 1998, and 2004. Therefore, to the extent that any unfinished fittings continue to enter the United States, apparent consumption will be overstated for those years.

⁹ Less than 0.05 percent.

Note.—See table C-1 of the *Staff Report of May 19, 1993*, for calculated market shares that include imports of both unfinished and finished fittings. These figures, which differ slightly from those presented above, are those cited in the Commission's views of the original investigations for Korea and Taiwan. See *Certain Stainless Steel Butt-Weld Pipe Fittings From Korea*, p. 15. Because of rounding, figures may not add to totals shown.

Source: *Staff Report of March 1, 1988*, pp. A-1 and A-40, and memorandum INV-L-011, March 9, 1988, for 1984-86 data; *Staff Report of May 19, 1993*, pp. I-14 and I-49-50 for 1989-91 data; 1997 and 1998 imports are from official Commerce statistics; U.S. producers' shipments for 1997 and 1998 are from the *Staff Report of January 21, 2000* (citing the *Response of U.S. Producers, August 19, 1999*, exhibit 1); U.S. producers' shipments for 2004 are from the *Response of U.S. Producers, March 23, 2005*.

In this second five-year review, domestic interested parties noted that “{t}he most significant development in relation to U.S. supply and demand conditions since the time of the previous sunset determination has been the development of a large SSBW pipe fittings industry within China, which has shipped much of its output to the United States.”⁹⁰ Domestic interested parties observed that most of the increase in nonsubject imports have been attributable to imports of stainless steel butt-weld pipe fittings from China.⁹¹

As shown in table I-10, U.S. producers’ domestic shipments accounted for *** percent of apparent U.S. consumption in 1986, *** percent in 1991, *** percent in 1998, and *** percent in 2004. U.S. imports accounted for *** percent of apparent U.S. consumption in 1986, *** percent in 1991, *** percent in 1998, and *** percent in 2004.⁹² Subject imports accounted for *** percent of apparent U.S. consumption in 1998, increasing to *** percent of apparent U.S. consumption in 2004.

Cumulation Considerations

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographical markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Additional information concerning geographical markets and simultaneous presence in the market is presented below.

Geographical Markets

As noted in the Commission’s most recent investigations on stainless steel butt-weld pipe fittings, such fittings are sold nationwide, most often by distributors that typically carry both domestically produced and imported product.⁹³ U.S. producers ship the domestic like product from production facilities dispersed across a dozen states in the continental United States.⁹⁴ Similarly, U.S. importers enter the subject merchandise through more than a dozen major ports in the United States. Between 1999 and 2004, imports of stainless steel butt-weld pipe fittings from Japan entered the United States primarily through the ports of Houston, Norfolk, New York, Philadelphia, and Los Angeles (in descending order of magnitude). Imports of such merchandise from Korea entered the United States primarily through the ports of Los Angeles, Houston, Chicago, Charleston, and New York, while such imports from Taiwan primarily entered through Houston, Los Angeles, Savannah, Seattle, and Chicago.⁹⁵

⁹⁰ *Response of U.S. Producers, March 23, 2005*, p. 15.

⁹¹ *Ibid.* Imports from China were 77,353 pounds in 1999, 355,853 pounds in 2000, 302,262 pounds in 2001, 633,212 pound in 2002, 970,915 pounds in 2003, and 2.4 million pounds in 2004.

⁹² Canada and Malaysia accounted for the largest sources of imports in 1998. Canada and China accounted for the largest sources of imports in 2004.

⁹³ *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Investigation No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. I-7.

⁹⁴ *Ibid.*, Table III-1.

⁹⁵ Compiled from official statistics of Commerce.

Presence in the Market

Stainless steel butt-weld pipe fittings produced in the United States were present throughout the period 1999-2004. Similarly, based on Commerce statistics, imports of stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan entered the United States in every quarter between the first quarter of 1999 and the fourth quarter of 2004. Such imports from Japan, however, became noticeably less frequent between 2001 and 2004, entering the United States in quantities of less than 1,000 pounds in 11 of 16 quarters.⁹⁶

THE FOREIGN INDUSTRIES

Japan

Seven firms, Fuji, Hoko, Kuze Bellows Kogyosho, Mie Horo, Nippon Bedcan, Nippon Bulge, and Tutui manufactured stainless steel butt-weld pipe fittings in Japan during the period examined in the 1988 investigation. The domestic interested parties identified six Japanese companies that currently produce the subject product: Benex Corp. (formerly Nippon Benkan Kogyo); Hoko; Kuze Bellows Kogyosho; MIE Techno Co. (formerly Mie Horo); Nippon Bulge; and Tutui.⁹⁷

Table I-11 presents data for three of the seven firms that manufactured the subject fittings in Japan during the period examined in the original investigation. As shown, the capacity utilization ratio for producers of stainless steel butt-weld pipe fittings in Japan ranged between 80 and 90 percent during 1984-86. Japanese production and home market shipments of the subject product fell from 1984 to 1986 while total export shipments increased somewhat. Exports to the United States accounted for 61 percent of total export shipments in 1986.

Korea

During the 1992-93 investigations, only one Korean manufacturer, Asia Bend, sold stainless steel butt-weld fittings in the United States; two other firms, Dai-Yung and Sammy, also produced in Korea. Through 1998, only Asia Bend has exported to the United States since the imposition of the order.⁹⁸

Minimal data were available during the original investigation for Korea. Table I-12 presents information on the subject fitting industry in Korea. As shown in the table, exports of stainless steel butt-weld pipe fittings to the United States accounted for only 10 percent of total Korean export shipments by value in 1991. Iran, Japan, and Taiwan were more significant export destinations.⁹⁹ Data for 1997-98 and 2004 indicate *** growth in exports to the United States and other markets between 1998 and 2004.

⁹⁶ Compiled from official statistics of Commerce. This trend continued into the first and second quarters of 2005, when only 99 pounds of stainless steel butt-weld pipe fittings from Japan entered the United States (20 pounds in the first quarter and 79 pounds in the second quarter). Ibid.

⁹⁷ *Response of U.S. Producers*, March 23, 2005, exh. 5.

⁹⁸ *Staff Report of January 21, 2000*, p. I-25. See also *Response of U.S. Producers, August 19, 1999*, p. 17.

⁹⁹ *Staff Report of May 19, 1993*, p. I-45.

Table I-11
Stainless steel butt-weld pipe fittings: Capacity, production, and shipments of producers in Japan, 1984-86, 1997-98, and 2004

Item	1984	1985	1986	1997	1998	2004
	Quantity (1,000 pounds, except as noted)					
Capacity	14,074	13,386	12,169	(¹)	(¹)	(¹)
Production	12,035	11,936	9,844	(¹)	(¹)	(¹)
Capacity utilization (<i>percent</i>)	83.5	89.2	80.9	(¹)	(¹)	(¹)
Shipments:						
Home market	8,708	8,962	6,898	(¹)	(¹)	(¹)
Exports:						
United States ²	2,055	2,224	2,205	***	***	***
Other	1,267	1,561	1,400	***	***	***
Total exports	3,322	3,785	3,605	***	***	***
Total shipments	12,030	12,747	10,503	(¹)	(¹)	(¹)
¹ Data not available. ² For 1997-98, includes nonsubject exports by Fuji.						
Source: <i>Staff Report of March 1, 1988</i> , p. A-33, for 1984-86 data (which were provided by counsel for Nippon Benkan, Nippon Bulge, Kuze Bellow Kogyosho); and official UN statistics of 1997-98 and 2004. Official UN statistics are copyrighted and not to be distributed outside the U.S. Government.						

Table I-12
Stainless steel butt-weld pipe fittings: Capacity, production, and shipments of producers in Korea, 1989-91, 1997-98, and 2004

Item	1989 ¹	1990 ¹	1991 ¹	1997	1998	2004
	Quantity (1,000 pounds, except as noted)					
Capacity	(²)	(²)	(²)	(²)	(²)	(²)
Production	(²)	(²)	(²)	(²)	(²)	(²)
Capacity utilization (<i>percent</i>)	(²)	(²)	(²)	(²)	(²)	(²)
Shipments:						
Home market	(²)	(²)	(²)	(²)	(²)	(²)
Exports:						
United States ³	717	433	779	***	***	***
Other ³	7,251	4,252	7,414	***	***	***
Total exports ³	7,968	4,685	8,193	***	***	***
Total shipments	(²)	(²)	(²)	(²)	(²)	(²)
¹ Data for period reported in \$1,000; quantity data not available. ² Data not available. ³ Data in \$1,000.						
Source: <i>Staff Report of May 19, 1993</i> , p. I-45 for 1989-91 data (which were official Korean export statistics provided by the U.S. Embassy in Seoul); and official UN statistics of 1997-98 and 2004. Official UN statistics are copyrighted and not to be distributed outside the U.S. Government.						

Taiwan

Regarding Taiwan, three producers of the Taiwan product, Tachia, Tru-Flow, and Tung Teng, provided the Commission with information on their operations during the original investigation for Taiwan. (According to the American Institute in Taiwan, these three companies, plus Ta Chen, accounted for more than 95 percent of production in Taiwan of stainless steel butt-weld pipe fittings.) In its response to the initial five-year review, the domestic interested parties observed that it was these same firms (plus Ta Chen) that exported the subject product to the United States since 1992.¹⁰⁰ In its response to the current five-year review, domestic interested parties provided additional information about Ta Chen’s operations, reporting that Ta Chen produced 2.7 million pounds of stainless steel butt-weld pipe fittings in 2003.¹⁰¹

Table I-13 presents data gathered for the subject fitting industry in Taiwan during the original investigation for that source.¹⁰² Taiwan capacity to produce the subject product increased *** from 1989 to 1991, as did production and total shipments. However, the added shipments were directed to sources outside Taiwan. Export shipments more than *** from 1989 to 1991, while home market sales actually fell during that period. Exports of stainless steel butt-weld pipe fittings to the United States accounted for *** percent of total export shipments from Taiwan in 1991. Data are not available for 1997-98, and UN data for 2004 are substantially at odds with official U.S. import statistics.

Table I-13
Stainless steel butt-weld pipe fittings: Capacity, production, and shipments of producers in Taiwan, 1989-91, 1997-98, and 2004

*	*	*	*	*	*	*
---	---	---	---	---	---	---

Limited data are available on the current production levels of stainless steel butt-weld pipe fittings in the subject countries.

At the time of the 1986-87 investigation, Japanese capacity to produce the subject product was one-and-one-half times U.S. apparent consumption in 1986. Further, reported Taiwan production capacity of stainless steel butt-weld pipe fittings was *** percent of U.S. apparent consumption in 1991, not including data for the non-responding Taiwan manufacturer, Ta Chen.¹⁰³

¹⁰⁰ *Staff Report of May 19, 1993*, pp. I-45 through I-46; and *Staff Report of January 21, 2000*, p. I-25. See also *Response of U.S. Producers, August 19, 1999*, pp. 16-17.

¹⁰¹ See *Response of U.S. Producers, March 23, 2005*, exh. 7.

¹⁰² Although data for Ta Chen are not included in the table, Taiwan exports to the United States for the 1989-91 period are comparable to reported U.S. imports from Taiwan for the same period.

¹⁰³ Interested domestic respondents observed that roughly 60 percent of Ta Chen’s sales of stainless steel butt-weld pipe fittings went to markets other than the United States in 2003, and argue that Ta Chan could readily redirect a large volume of sales from its home and third-country markets toward the United States. *Response of U.S. Producers, March 23, 2005*, pp. 17-18.

Official United Nations (“UN”) statistics show that Japan’s and Taiwan’s total exports today are somewhat lower than those reported during the periods for which data were collected during the original investigations. However, according to official UN statistics, Korea currently exports more stainless steel butt-weld pipe fittings than it did during 1989-91 (even allowing for the reporting differences between 1989-91 (value) and 2004 (quantity)). The domestic interested parties note that since the time of the original investigations, additional countries have established or expanded stainless steel butt-weld pipe fitting industries and increased exports to the United States.¹⁰⁴ Domestic interested parties noted that China has developed a large, export-oriented stainless steel butt-weld pipe industry, and that most of the increase in nonsubject imports in the U.S. market over the last five years has been attributable to imports of subject merchandise from China.¹⁰⁵

¹⁰⁴ See *Response of U.S. Producers, March 23, 2005*, pp. 5-6. See also *Staff Report of January 21, 2000*, p. I-29, and *Response of U.S. Producers, August 19, 1999*, p. 20.

¹⁰⁵ See *Response of U.S. Producers, March 23, 2005*, p. 15.

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-376, 563, and 564 (Second Review)]

Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is March 23, 2005. Comments on the adequacy of responses may be filed with the Commission by April 18, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: February 2, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>).

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-112, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

www.usitc.gov). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background—On March 25, 1988, the Department of Commerce issued an antidumping duty order on imports of stainless steel butt-weld pipe fittings from Japan (53 FR 9787). On February 23, 1993, the Department of Commerce issued an antidumping duty order on imports of stainless steel butt-weld pipe fittings from Korea (58 FR 11029). On June 16, 1993, the Department of Commerce issued an antidumping duty order on imports of stainless steel butt-weld pipe fittings from Taiwan, as amended (58 FR 33250). Following five-year reviews by Commerce and the Commission, effective March 6, 2000, Commerce issued a continuation of the antidumping duty orders on imports of stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan (65 FR 11766). The Commission is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Japan, Korea, and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original and expedited five-year review determinations, the Commission defined the *Domestic Like Product* as stainless steel butt-weld pipe fittings, co-extensive with Commerce's scope of the subject merchandise.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the

product. In its original and expedited five-year review determinations, the Commission defined the *Domestic Industry* as all domestic producers of stainless steel butt-weld pipe fittings.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized

applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is March 23, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is April 18, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the

information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any

known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1998.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from each *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of

producers or exporters of the *Subject Merchandise* in the *Subject Countries*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Countries* after 1998, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-1947 Filed 2-1-05; 8:45 am]

BILLING CODE 7020-02-P

fred.fischer@usitc.gov), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On May 9, 2005, the Commission determined that the domestic interested party group response to its notice of institution (70 FR 5478, February 2, 2005) of the subject five-year reviews was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.

Staff report. A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on June 8, 2005, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written submissions. As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the reviews may file written comments with the Secretary on what determination the Commission should reach in the reviews. Comments are due on or before September 7, 2005, and may not contain new factual information. Any person

that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by September 7, 2005. However, should the Department of Commerce extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: May 20, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-10494 Filed 5-25-05; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 731-TA-376, 563, and 564 (Second Review)]

**Stainless Steel Butt-Weld Pipe Fittings
From Japan, Korea, and Taiwan**

AGENCY: United States International Trade Commission.

ACTION: Scheduling of expedited five-year reviews concerning the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: May 9, 2005.

FOR FURTHER INFORMATION CONTACT: Fred Fischer (202-205-3179 or

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

² The Commission has found the responses submitted by the Flowline Division of Markovitz Enterprises, Inc., Gerlin, Inc., Shaw Alloy Piping Products, Inc. (formerly Alloy Piping Products, Inc.), and Taylor Forge Stainless, Inc. to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

Department) initiated sunset reviews of the antidumping duty orders on certain stainless steel butt-weld pipe fittings (pipe fittings) from Japan, South Korea, and Taiwan pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and adequate substantive responses filed on behalf of domestic interested parties and no response from respondent interested parties, the Department conducted expedited (120-day) sunset reviews. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified below in the "Final Results of Review" section of this notice.

EFFECTIVE DATE: September 9, 2005.

FOR FURTHER INFORMATION CONTACT: Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone (202) 482-1391.

SUPPLEMENTARY INFORMATION:

Background

On February 2, 2005, the Department initiated sunset reviews of the antidumping duty orders on pipe fittings from Japan, Korea, and Taiwan pursuant to section 751(c) of the Act. See Initiation of Five-Year ("Sunset") Reviews, 69 FR 69891 (Feb. 2, 2005). The Department received notices of intent to participate from four domestic interested parties, Flowline Division of Markovitz Enterprises, Inc. (Flowline), Gerlin, Inc. (Gerlin), Shaw Alloy Piping Products, Inc. (formerly Alloy Piping Products, Inc.) (Shaw), and Taylor Forge Stainless, Inc. (Taylor Forge) (collectively, domestic interested parties), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of a domestic like product. We received a complete substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, we did not receive any responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these orders.

DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-702, A-580-813, A-583-816]

Certain Stainless Steel Butt-Weld Pipe Fittings from Japan, South Korea, and Taiwan; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On February 2, 2005, the Department of Commerce (the

On May 26, 2005, the Department extended the time limit for final results of these sunset reviews to not later than August 31, 2005. *See Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan: Extension of Time Limit for the Final Results of Sunset Reviews of Antidumping Duty Orders*, 70 FR 30416 (May 26, 2005).

Scope of the Orders

Japan

The products covered by this order include certain stainless steel butt-weld pipe and tube fittings, or SSPFs. These fittings are used in piping systems for chemical plants, pharmaceutical plants, food processing facilities, waste treatment facilities, semiconductor equipment applications, nuclear power plants and other areas. This merchandise is classifiable under the Harmonized Tariff Schedules of the United States (HTSUS) item number 7307.23.0000. While the HTS item number is provided for convenience and for Customs purposes, the written product description remains dispositive as to the scope of the product coverage.

South Korea

The products subject to this order are certain welded stainless steel butt-weld pipe fittings (pipe fittings), whether finished or unfinished, under 14 inches in inside diameter.

Pipe fittings are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise can be used where one or more of the following conditions is a factor in designing the piping system: (1) Corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; (5) high pressures are contained within the system.

Pipe fittings come in a variety of shapes, and the following five are the most basic: “elbows,” “tees,” “reducers,” “stub ends,” and “caps.” The edges of finished fittings are beveled. Threaded, grooved, and bolted fittings are excluded from this review. The pipe fittings subject to this order are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedules of the United States (HTSUS).

Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Taiwan

The products subject to this order are certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter.

Certain welded stainless steel butt-weld pipe fittings (“pipe fittings”) are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise is used where one or more of the following conditions is a factor in designing the piping system: (1) Corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; and (5) high pressures are contained within the system.

Pipe fittings come in a variety of shapes, with the following five shapes the most basic: “elbows,” “tees,” “reducers,” “stub ends,” and “caps.” The edges of finished pipe fittings are beveled. Threaded, grooved, and bolted fittings are excluded from this review. The pipe fittings subject to this order are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedules of the United States (HTSUS).

Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this review is dispositive.

Analysis of Comments Received

All issues raised in these cases are addressed in the “Issues and Decision Memorandum” from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 30, 2005, (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov>, under the heading “September 2005.” The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on pipe fittings from Japan, Korea, and Taiwan would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
Japan.	
Mie Horo	65.08
Nippon Benkan Kogyo, K.K.	37.24
All Others	49.31
South Korea.	
The Asia Bend Co. Ltd.	21.20
All Others	21.20
Taiwan.	
Tachia Yung Ho Machine Industry Co., Ltd.	76.20
Ta Chen Stainless Pipe Co., Ltd.	6.42
Tru-Flow Industrial Co., Ltd.	76.20
All Others	51.01

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department’s regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 30, 2005.

Joseph A. Spetrini,
Acting Assistant Secretary for Import Administration.

[FR Doc. E5-4940 Filed 9-8-05; 8:45 am]

Billing Code: 3510-DS-S

APPENDIX B

STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan,
Inv. Nos. 731-TA-376, 563, and 564 (Second Review)

On May 9 2005, the Commission unanimously determined that it should proceed to expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

With regard to each of the reviews, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received adequate responses from four producers of stainless steel butt-weld pipe fittings, Flowline Division of Markovitz Enterprises, Inc., Gerlin Inc., Shaw Alloy Piping Products, Inc., and Taylor Forge Stainless, Inc. Because the Commission received an adequate response from domestic producers accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested parties in any of the three reviews concerning imports from Japan, Korea, or Taiwan. It therefore determined that the respondent interested party group responses were inadequate.

In the absence of adequate respondent interested party group responses, and any other circumstances that it deemed warranted proceeding to full reviews, the Commission determined to conduct expedited reviews. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

APPENDIX C

SUMMARY DATA CONCERNING THE U.S. MARKET, 1997-99, JANUARY-JUNE 1999, AND JANUARY-JUNE 2000

This appendix presents data on the U.S. industry gathered in the Commission's investigations on stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia, and the Philippines.¹ The table presents U.S. industry data for the additional periods of 1999, January-June 1999, and January-June 2000.

Table C-1
Stainless steel butt-weld pipe fittings: Summary data concerning the U.S. market, 1997-99, January-June 1999, and January-June 2000

Item	Reported data					Period changes			
	Calendar year			January-June		Calendar years			Jan.-June
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-2000
Quantity=1,000 pounds, value=\$1,000, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted									
U.S. producers ¹ :									
Average capacity quantity	(¹)								
Production quantity	5,771	5,494	5,780	3,183	3,369	0.2	-4.8	5.2	5.8
Capacity utilization ²	71.9	67.1	68.2	77.3	74.3	-3.7	-4.8	1.1	-3.0
U.S. shipments:									
Quantity	7,334	7,502	8,666	4,602	4,675	18.1	2.3	15.5	1.6
Value	70,674	60,513	57,034	29,267	32,231	-19.3	-14.4	-5.7	10.1
Unit value	\$9.64	\$8.07	\$6.58	\$6.36	\$6.89	-31.7	-16.3	-18.4	8.4
Export shipments:									
Quantity	167	304	228	132	86	36.5	82.0	-25.0	-34.8
Value	1,731	2,765	1,748	1,071	804	1.0	59.7	-36.8	-24.9
Unit value	\$10.37	\$9.10	\$7.67	\$8.11	\$9.35	-26.0	-12.3	-15.7	15.2
Ending inventory quantity	1,791	1,588	1,814	1,777	2,571	1.3	-11.4	14.3	44.7
Inventories/total shipments ²	23.9	20.3	20.4	18.8	27.0	-3.5	-3.5	0.1	8.2
Production workers	595	530	445	433	491	-25.2	-10.9	-16.0	13.4
Hours worked (1,000s)	1,099	970	843	526	587	-23.2	-11.7	-13.1	11.6
Wages paid (\$1,000)	12,424	11,624	10,324	6,640	7,124	-16.9	-6.4	-11.2	7.3
Hourly wages	\$11.31	\$11.98	\$12.24	\$12.63	\$12.14	8.2	5.9	2.2	-3.9
Productivity (pounds per hour)	5.3	5.7	6.9	6.1	5.7	30.5	7.8	21.0	-5.2
Unit labor costs	\$2.15	\$2.12	\$1.79	\$2.09	\$2.11	-17.0	-1.7	-15.6	1.4
Net sales:									
Quantity	7,810	7,487	8,971	4,616	4,672	14.9	-4.1	19.8	1.2
Value	75,349	61,165	60,229	30,360	32,729	-20.1	-18.8	-1.5	7.8
Unit value	\$9.65	\$8.17	\$6.71	\$6.58	\$7.01	-30.4	-15.3	-17.8	6.5
Cost of goods sold (COGS)	51,363	45,114	46,714	23,621	24,361	-9.1	-12.2	3.5	3.1
Gross profit or (loss)	23,986	16,051	13,515	6,739	8,368	-43.7	-33.1	-15.8	24.2
SG&A expenses	12,088	11,848	10,586	5,506	5,368	-12.4	-2.0	-10.7	-2.5
Operating income or (loss)	11,898	4,203	2,929	1,233	2,999	-75.4	-64.7	-30.3	143.2
Capital expenditures	819	2,240	1,904	962	293	132.4	173.5	-15.0	-69.5
Unit COGS	\$6.58	\$6.03	\$5.21	\$5.12	\$5.21	-20.8	-8.4	-13.6	1.9
Unit SG&A expenses	\$1.55	\$1.58	\$1.18	\$1.19	\$1.15	-23.8	2.2	-25.4	-3.6
Unit operating income or (loss)	\$1.52	\$0.56	\$0.33	\$0.27	\$0.64	-78.6	-63.2	-41.8	140.3
COGS/sales ²	68.2	73.8	77.6	77.8	74.4	9.4	5.6	3.8	-3.4
Operating income or (loss)/sales ¹	15.8	6.9	4.9	4.1	9.2	-10.9	-8.9	-2.0	5.1

¹ Public data are not available.

² "Reported data" are in percent and "period changes" are in percentage points.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany, Italy, Malaysia, and the Philippines: Invs. Nos. 731-TA-864-967 (Final)*, USITC Publication 3372, November 2000, p. C-4, table C-1, and USITC Publication 3387, January 2001, p. B-4, table B-1.

¹ See *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany: Inv. No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. C-4, table C-1; and *Certain Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines: Invs. Nos. 731-TA-865-867 (Final)*, USITC Publication 3387, January 2001, p. B-4, table B-1.

